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Daily Report

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6 April 1992

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General

Defense Minister Meets Conference Attendees

Meeting To Address Security Problems

OW0504131092 Beijing XINHUA in English
1211 GMT 5 Apr 92

[Text] Beijing, April 5 (XINHUA)—Chinese Defense Minister Qin Jiwei today met with former U.S. defense minister Frank C. Carlucci, who is attending a three-day quadrilateral meeting on Asia-Pacific security problems in Beijing.

The Chinese minister also met with Masao Ishii, former chairman of the Joint Chiefs of Staff of the Japanese Self-Defense Forces and Sergey Rogov, deputy director of the Institute of U.S. and Canada Studies from the Russian Federation, as well as other delegates to the meeting, which opened here today.

The quadrilateral meeting on "Asia-Pacific Security Problems: Opportunities for Reducing Tensions Among the Major Powers" is a closed-door meeting.

In face of the turbulent and complicated world situation, the Chinese defense minister said, it is important for the researchers of strategic studies from the United States, Japan, Russia and China to exchange views on Asia-Pacific problems, explore factors to peace and stability in the region and strengthen mutual understanding and friendship.

Li Peng Pledges Ties With Neighbors

OW0604093992 Beijing XINHUA Domestic Service
in Chinese 0636 GMT 6 Apr 92

[By reporter Chen Ming (7115 6900)]

[Text] Beijing, 6 April (XINHUA)—Li Peng, premier of the State Council, said today: China handles its relations with other countries on the basis of the Five Principles of Peaceful Coexistence; it does not base such relations on social systems and ideologies.

Meeting at the Great Hall of the People this morning with delegates to a quadrilateral symposium of China, the United States, Japan, and Russia entitled "Asia-Pacific Security Problems," Li Peng said: It can be said that both opportunities and challenges exist in Northeast Asia's current security situation. "We should jointly adopt objective and correct policies."

The symposium is a civilian forum founded in 1989 at the initiative of the U.S.'s United Nations Association [name as received]. China's Beijing Institute for International Strategic Studies and its U.S., Japanese, and Russian counterparts have sent delegates to the symposium each year. This year's symposium is the third.

Li Peng said: The annual symposium of Chinese, American, Japanese, and Russian experts on international strategic issues is a significant event.

He said: "As an Asian country, China is naturally very concerned about the region's security and stability."

Li Peng said: China is currently launching a large-scale modernization drive that requires two basic conditions—a long-term peaceful international environment and long-term political stability at home. Without either of them, the modernization drive cannot be realized.

He said: China has further improved and strengthened its relations with neighboring countries. We are willing to make our contributions to peace and security in Northeast Asia or even in all of Asia and the world at large.

After giving a brief account of China's relations with neighboring countries, Li Peng stated: As before, China will pursue an independent foreign policy of peace.

During the meeting, the heads of the U.S., Japanese, and Russian delegations—former U.S. Defense Secretary Frank Carlucci; Masao Ishii, former chairman of the Joint Chiefs of Staff of the Japanese Self-Defense Forces; and Sergey Rogov, deputy director of the Russian Federation Institute of U.S.-Canada Studies—indicated: The symposium in Beijing has been very fruitful. Though the parties have failed to reach consensus on all issues, they have conducted dialogue on an equal footing with a friendly attitude and in a spirit of understanding. This is very useful. The delegates of the three countries have signaled a willingness to work hard to enhance relations with China and to promote security in the Asia-Pacific region.

Deng Xiaoping Comments on Foreign Policy

HK0604061992 Hong Kong CHING PAO in Chinese
No 177, 5 Apr 92 p 48

[Article by Cheng Te-lin (6774 1795 2651): "Deng Says China Will Neither Seek Hegemony Nor Ally Itself With the North"]

[Text] We Should Continue To Observe Situation in the North

CPC strongman Deng Xiaoping recently commented on China's opening up policy. He said: Since not long ago, the international situation has gone through some drastic changes and turbulence. This is nothing to be surprised about. We should firmly maintain our stand and have a more profound vision. *Some of us in the party want to "ally China with the north, support the north, and resist the United States." This is impractical and dangerous. We should never repeat past mistakes.* The so-called peaceful evolution that the United States and the West are planning did not start just today. It is a long-term ideological and diplomatic strategy. We should not overestimate it or make it sound too menacing. The key is

whether or not we will urgently carry out our central task in a practical and fine manner. As long as we work as one within the party and the masses support us sincerely, nobody can bully or oppress us.

Deng Xiaoping continued: We declared 'not attempting to dominate the world' and 'not seeking hegemony.' This is what we still uphold today and will continue to uphold in the 21st century, when China becomes a powerful country. What is the point of depending on the 'south' and rallying China with the 'north'? The situation in the 'north' is not clear yet. We need to observe more and comment less. In my opinion, after a period of suffering, the 'north' may be reinvigorated, or may remain chaotic. We do not want to see chaos in the north. We wish our immediate neighbors tranquility and peace for the whole world. But this is not for us to decide, even though it is our wish. No big country in the world can control the development, changes, or destiny of the world situation. Whoever wants to control and seek hegemony will have to pay a high price.

We Should Develop Good-Neighborly Relations

Deng Xiaoping also said: We should stand by one principle, that is, developing and reinforcing good-neighborly relations with the north; strengthening the people-to-people friendly contacts; develop economic, technological, and cultural exchange; and learn from and help each other. This benefits both sides. We should not cherish any other fancy thoughts, because they are just illusions.

As to Sino-U.S. relations, Deng Xiaoping said: China and the United States are different in political ideology, but there is no conflict between their fundamental interests. We do not have contention in politics, territory, or resources or problems left over from history in other regions. All far-sighted statesmen in America are soberly aware of this. U.S. presidents, from Nixon to Bush, all have had a good understanding of China. We will not tolerate other countries making indiscreet comments on our internal affairs; the people will not allow this. And China is no longer a semicolonial or semifederal land, as the purpose of the CPC's revolution was to establish a New China and a country wherein the people are the masters.

It was learned that a political opinion poll conducted among State Council ministry and commission cadres showed that over 98 percent maintain that China should follow its own path and not rely on any large country or political bloc. Neither allying with Russia nor being intimate with the United States will work.

Some high-level personalities in Beijing said: Deng Xiaoping was referring to something specific, which affords much food for thought.

XINHUA Analyzes Bush Plan To Support CIS

OW0404144592 Beijing XINHUA Domestic Service in Chinese 1605 GMT 2 Apr 92

[News Analysis by reporter Huang Yong (7806 3144): "Why Has Bush Proposed a New Plan for Providing Aid to the CIS?"]

[Text] Washington, 1 April (XINHUA)—On 1 April, President Bush announced a comprehensive plan for supporting the Commonwealth of Independent States [CIS]. He also said for the first time that the United States will provide financial aid to CIS member states. This reflects some attitude changes for the Bush administration in terms of supporting the former Soviet Union.

Bush's aid plan mainly covers the following three aspects: First, the United States, together with other Western countries, will provide CIS member states with financial aid worth \$24 billion, of which \$6 billion will be used as funds for stabilizing the ruble and the remaining \$18 billion will be used to "stabilize and readjust the economy." Second, Bush will submit a comprehensive bill urging Congress to approve an additional \$12 billion which should be paid to the IMF and will suggest cancelling limits on trade and investment imposed on the former Soviet Union. Third, the United States will provide to CIS member states guarantees for new agricultural loans worth \$1.1 billion.

In the past few months, the White House has said on many occasions that it will provide support on a grand scale to the CIS. But serious domestic issues and other factors, for example surging "isolationism," have forced Bush, in consideration of the general election, to concentrate on domestic issues, thus causing slow action in providing support to the CIS. The press here outlines three reasons as to why the Bush government has decided to enlarge the scope of its support.

In the first place, the grim prospect of "reform" in Russia and other CIS member states worries the government and the U.S. public. Since the implementation of "market economy" reform, Russia and other CIS member states have faced difficulties like soaring prices, declines in production, commodities in short supply, and potential crises. Some noted politicians in the United States, including former President Nixon, have said recently in succession that Western countries should take immediate action to provide financial, trade, and investment assistance to the CIS. Otherwise, Western countries will lose a historical opportunity to help in reforming the former Soviet Union. Bush has also acknowledged that if the "democratic revolution" fails in the former Soviet Union, we will find ourselves in a world far more dangerous than the one that existed during the dark years of the cold war.

Second, Russia and some other CIS member states have gradually implemented reform plans as required by Western countries and as recognized by the IMF. There

thus no longer exists anything that might block the United States from providing financial aid to the CIS.

Third, the Bush government wants to take the initiative in view of the upcoming general election. According to U.S. media analyses, President Bush had adopted a policy of "paying more attention to domestic affairs than to foreign affairs." But this strategy achieved little success because it is difficult to resolve accumulated domestic issues in the United States. In contrast, Bush appeared to be more passive because of his low profile in supporting the CIS—a foreign affairs policy which has not only elicited condemnation from inside the Republican Party but has also become a theme on which the Democratic Party can play. Therefore, Bush was forced to change his strategy, trying to promote his prestige among voters through a string of prominent diplomatic activities. Observers here have pointed out that it was by no means a coincidence that Bush's aid plans were announced an hour before Clinton, a Democratic presidential hopeful, delivered a speech on foreign affairs.

Bush and his White House aides have stressed that financial aid to CIS member states, mainly provided in loans by Western countries and the IMF, will not be a burden to taxpayers in the United States. Nevertheless, the plan still will cause heated arguments in Congress. As Dick Gephardt, the House majority leader, said: The Bush administration has to work very hard to win the support of Congress. In view of the fact that there is a growing tendency in the United States toward opposing "foreign aid," it is too early to draw any conclusions as to what the possible results of Bush's new aid plan for the CIS.

Trade With Ex-Communist Countries, DPRK Booms

OW0604014592 Beijing XINHUA in English
0125 GMT 6 Apr 92

[Text] Changchun, April 6 (XINHUA)—China has made rapid progress in developing trade, and economic and technical co-operation with its neighboring countries in recent years.

This was stated at a current national meeting in Changchun, the capital of Jilin Province.

At present, China's economic and technological co-operation and contract investments with these countries account for one third of the country's total.

China's neighbors include the former Soviet Union, East European countries, Mongolia, the Democratic People's Republic of Korea (DPRK), Laos and Vietnam, who mainly engage in barter trade with China.

In 1991 China signed more than 400 contracts on projects and labor export with the former Soviet republics. The total contract volume stood at over 800 million U.S. dollars, half of the accumulated contract volume of the previous four years. In addition, China also approved the establishment of 65 joint ventures in the

former Soviet republics, accounting for more than 60 percent of the total figure for the previous four years.

At the same time, China also witnessed rapid progress in economic and technological co-operation with East European countries, Mongolia, DPRK and Laos. The co-operation programs cover agriculture, animal husbandry, the light and textile industries, electronics, household electrical devices, daily-use commodities and medical treatment; the total contract volume reached 80 million U.S. dollars.

Jilin Province alone signed a contracts worth over 70 million U.S. dollars with the former Soviet republics in 1991, more than double the figure for the previous two years. The realized turnover stood at 40 million U.S. dollars, three times the figure for the previous two years.

Article on UNSC Sanction Resolutions, CIS Aid

OW0604044192 Beijing XINHUA Domestic Service
in Chinese 2237 GMT 4 Apr 92

[By reporters Tang Tianfu (0781 1131 4395) and Ding Yifan (0002 0001 0416): "International Situation in the Past Week: UNSC Adopts Resolution on Sanctions Against Libya, Bush Announces West's Aid Plans to CIS"]

[Text] Beijing, 5 April (XINHUA)—UNSC Adopts Resolution on Sanctions Against Libya

On 31 March the UN Security Council adopted Resolution 748 to impose aviation, arms, and diplomatic sanctions against Libya if it refuses before 15 April to surrender two suspects connected with the bombing of Pan Am jetliner.

The resolution stated that, beginning 15 April, all countries should refuse aircraft destined for or departing from Libya to take off from, land at, or fly over their territory; and should prohibit supply of aircraft, aircraft accessories, and relevant services to Libya. The resolution bans arms supplies, relevant technical consultation, aid, or training to Libya and urges all nations to withdraw their military advisers and personnel currently serving in Libya.

The resolution was promoted by Britain, France, and the United States who alleged that Libya should be responsible for the explosions of two civil aviation aircraft, and demanded extradition of suspects connected with the bombings. Libya denied such allegations. Speaking before voting on the resolution—and later abstaining from voting together with four other countries—the Chinese representative advocated a solution of the incident through consultation and dialogue.

The international community responded widely to the UNSC resolution. The Arab world generally expressed dissatisfaction and called on all parties to make further efforts to settle the crisis peacefully. United Nations Secretary General Ghali cabled Arab League Secretary

General (Majid) on 3 April, calling the latter to continue with its mediation efforts and alleviate the crisis between Libya and the West. The Arab League has indicated that it will make further efforts to seek a settlement formula before the sanction resolution takes effect on 15 April.

Libya accused the UNSC resolution of having "obviously violated generally accepted international laws on settling disputes among UN member nations and international treaties." In a statement on 1 April, Libyan Leader Qadhafi said that Libya will halt oil exports to Europe as retaliation against to UN sanctions. Numerous people staged demonstrations in Tripoli the same day, protesting against adoption by the UNSC of sanctions against Libya. Demonstrators burned down the Venezuelan embassy—the current chairman-nation of the UNSC—and demonstrated in front of embassies of other nations supporting the resolution. The UNSC has lodged protests with Libya over the incident.

Bush Announces West's Aid Plans to CIS

President Bush announced on 1 April that the United States and the G-7 will extend \$24 billion in economic aid to CIS nations, of which \$18 billion will be used for "stabilizing and adjusting the economy" and \$6 billion as funds to stabilize the ruble.

The United States and other Western nations, though elated that changes have emerged in the various republics of the former Soviet Union, have been slow in aiding CIS nations. News media in the United States cited three major reasons for Bush to make his decision to extend financial aids to these nations at this moment:

First, the implementation of reform of the "market economy" by Russia and other CIS nations has caused sharp price hikes as well as reduced production and commodity shortage, with crises looming around. Renowned U.S. statesmen—including former Presidents—were all worried that the worsening economic situation may lead to the failure of the former Soviet Union's "democratic revolution," and that the West may miss an "historic opportunity" of reforming it. President Bush himself admitted that such a prospect may mean a world even "more dangerous than the dark era of the Cold War." Therefore, these statesmen maintained that the West should brook no delay in assisting the CIS in such fields as finance, trade, and absorption of foreign funds.

Second, Russia and other nations have gradually implemented reform plans as demanded by the West to the extent of winning the consensus of the International Monetary Fund, negating previous grounds by the United States for opposing financial aid to the CIS.

Further, Bush has to command initiative in the presidential election. The low-keyed attitude he placed on diplomatic issues concerning aid to the CIS has evoked criticism from his own Republican Party as well as attacks from Democrats. In view of this, Bush changed his tactics, trying to change his declining image among

voters with eye-catching diplomatic activities. The announcement of Bush's aid plans minutes before Democratic Presidential Candidate Clinton delivered his speech on foreign policy is by no means a coincidence.

The Bush Administration's aid plans still need the support of the U.S. Congress. As House Majority Leader Dick Gephardt has indicated during heated Congressional debate, the Bush Administration has to make extra efforts to secure Congress's support.

German Chancellor Kohl, in his capacity as chairman of the Western G-7, announced the same information on 1 April. However, Japanese Government officials said that Japan has no knowledge of the seven Western nations' purported provision of \$24 billion to the CIS.

28 Nations Contribute to UN Cambodian Forces

*OW0304211992 Beijing XINHUA in English
1856 GMT 3 Apr 92*

[Text] United Nations, April 3 (XINHUA)—China and 27 other countries will contribute military personnel to the U.N. Transitional Authority in Cambodia (UNTAC).

According to a letter to the Security Council president from the U.N. secretary-general released today, the contributing countries are Algeria, Argentina, Australia, Austria, Bangladesh, Britain, Bulgaria, Cameroon, Canada, Chile, China, France, Ghana, India, Indonesia, Ireland, Italy, Malaysia, the Netherlands, New Zealand, Pakistan, the Philippines, Poland, the Russian Federation, Senegal, Thailand, Tunisia and Uruguay.

UNTAC, established by the Security Council in February to carry out wide-ranging tasks such as the running of the country, monitoring of cease-fire and conducting of elections, has a 15,900-member military component, whose main functions include the verification of the withdrawal of foreign forces and supervision of the cease-fire between the four factions in the country.

So far, about 3,000 personnel of the military component have been deployed and 4,000 more are expected in the next three weeks.

The deployment of all the military personnel is expected to complete next month.

United States & Canada

U.S. Ambassador Reviews Status of Relations

*OW0404123492 Beijing Radio Beijing in Mandarin
to Asia 0900 GMT 4 Apr 92*

[From the "News" program]

[Text] U.S. Ambassador to China Stapleton Roy recently made a speech in Hong Kong entitled "Sino-U.S. Relations in the Fast-Changing World."

Stapleton Roy first reviewed the far-reaching significance of the signing of the U.S.-Chinese Shanghai Communiqué 20 years ago. He said: The Shanghai Communiqué laid the foundation for reestablishing the two countries' friendly relations and cooperation. Not only was it beneficial to the Chinese and American peoples, it also contributed to world peace. Seen from a world perspective, the present and future of the United States and China, two big countries in the world, constitute an important factor for world stability and prosperity.

He stressed: As the most populous country in the world, China plays a decisive role economically. Its potential, including its military strength, is enormous.

Stapleton Roy then commented on the prospects and future of U.S.-China relations. He said: The reform launched in China in 1979 has achieved exceptional successes after only a decade or so. Deng Xiaoping's recent call for accelerating reform has received warm support. He said: The Chinese market not only is appealing, it is also tactically important. It is one of the markets of competition which determines the future of the U.S. industry.

Stapleton Roy concluded: Withholding MFN status for China, or adding to it certain conditions which can obstruct U.S.-Chinese trade, as well as attacking Chinese personnel who chart the course of the market and modernization, and weakening Hong Kong will all be harmful to U.S. interests.

Beijing Revises Textile Exports License System

HK0404042792 Beijing CHINA DAILY
in English 4 Apr 92 p 2

[By staff reporter: "China Revises Its Export Licence System for U.S."]

[Text] Illegal re-export of Chinese textiles to the United States, which has caused bilateral trade friction, should be stopped by changes to the current export licence system. From May 1, Chinese manufacturers of textile products will have to write their names and addresses in the export licence when doing business with the U.S.

If they fail to do so, the U.S. customs officials will, under the agreement with China, refuse entry to the products.

The two sides have agreed that the name of a real manufacturer must not be replaced by that of an export agent.

The "real manufacturer" is one which finishes the principal processing procedures in making a product. For example, there are three contracting manufacturers responsible for supplying raw materials, tailoring and sewing, and quality control and packaging. The one that does the tailoring and sewing will be deemed the real manufacturer.

Progress Reported in U.S. Market Access Talks

OW0304152092 Beijing XINHUA in English
1508 GMT 3 Apr 92

[Text] Washington, April 2 (XINHUA)—The sixth round of Sino-U.S. talks on market access wound up here Thursday with progress in some areas.

Tong Zhiguang, head of the Chinese delegation, described the two-and-half-day talks as positive and fruitful, saying that both Chinese and American sides demonstrated their willingness to reach a final agreement on the matter.

The U.S. delegation, led by Assistant Trade Representative Joseph Massey, put forward a draft memorandum of understanding on market access during the talks, said Tong, who is vice minister of foreign economic relations and trade.

He added that the Chinese delegation made some amendments to the American draft.

The two sides defined the scope of questions on market access and the details of remaining problems and agreed on some points in the draft memorandum after holding serious discussions on trade transparency, custom duties, animal and plant examination and test standard as well as import license, control and substitution.

They also agreed to open the next round of talks in Beijing in late May, Tong said.

He said China had been paying much attention to the talks and before negotiations Chinese departments concerned made full coordination and preparations, thus pushing this round of talks forward.

He acknowledged the two sides remained divided on certain problems. However, he said it was possible to solve the problems so long as the two sides adopt positive and down-to-earth approach on an equal footing throughout the negotiations.

Therefore, the Chinese delegation sincerely hoped to make concerted efforts together with the U.S. side to further propel the negotiation process so as to reach an agreement at an early date.

Li Ruihuan Meets Former U.S. Ambassador

OW0604081892 Beijing XINHUA in English
0658 GMT 6 Apr 92

[Text] Beijing, April 6 (XINHUA)—Li Ruihuan, a member of the Standing Committee of the Political Bureau of the Central Committee of the Communist Party of China (CPC), met here this morning with Leonard Woodcock, the former U.S. ambassador to China.

They had a friendly conversation on Sino-U.S. relations.

Li expressed appreciation for the many years of effort and notable achievements Woodcock recorded in helping to develop Sino-U.S. relations.

Li said that China needs a peaceful international environment in order to be able to concentrate on domestic affairs, including economic development and the policies of reform and opening to the outside world.

The Chinese leader noted the absence of conflicts between China and the United States concerning fundamental interests. He said that the development of Sino-U.S. relations is not only in the interests of the two peoples, but also in the interests of the people throughout the world.

Woodcock served as the director of the U.S. Liaison Office in China from May 1977 until he was appointed as the first U.S. ambassador to China following the re-establishment of diplomatic relations in January 1979. In recent years, Woodcock has visited China on two occasions, once in 1989 and again in 1990.

Woodcock briefed Li on his views concerning Sino-U.S. relations, and said that he will work hard to further improve and develop such relations.

Article Assails U.S. Human Rights Practices

OW0604111892 Beijing BEIJING REVIEW in English
No 13, 30 Mar-5 Apr 92 p 13

[Article by Xiao Hong: "U.S. Contradicts Itself on Human Rights"]

[Text] Western "human rights defenders" assert that human rights are without national boundary and the standards are universal—they transcend time and space, race and nationality, state, class, ideology and values.

However, their theory does not square with practice. In the West, what is established theoretically is not necessarily valid legally; international human rights instruments may not be recognized on the ground that they violate national interests; even those recognized are treated in a for-you-only manner.

The Universal Declaration of Human Rights states, "Everyone has the right to freedom of opinion and expression; this right includes freedom to hold opinions without interference and to seek, receive and impart information and ideas through any media and regardless of frontiers.

US laws, however, are contradictory to those enshrined principles. Under the Excludable Aliens section of the United States Code (1970 edition), for example, aliens "who advocate economic, international and governmental doctrines of world communism, or establishment in the United State of a totalitarian dictatorship" are barred from entering the United States and denied entry visas.

That's not the whole story. Uncle Sam is not satisfied with banning propagating communism at home; it forcefully exports its capitalism, colonialism and imperialism to other countries. It established Radio Free Europe to facilitate its subversive propaganda against East European socialist countries. Now it plans to establish a "Free Radio for Asia" to disseminate its political doctrines and economic theories to China in an attempt to restore its colonial rule in China.

In recent years, some US Congressmen and newspapers have taken every opportunity to attack China over its acts to deal with criminals involved in the 1989 anti-government riots in Beijing and in Lhasa, Tibet. If such a logic is permitted, citizens in the United States should enjoy the rights to spread rumours, incite riots, assault government headquarters and parliament, and torture servicemen and civilians. But US laws ban these acts in clear terms.

Article 2385 of the United States Code (1982 edition) states, "Whoever knowingly or willfully advocates, abets, advises or teaches the duty, necessity, desirability, or propriety of overthrowing or destroying the government of the United States or the government of any State, Territory, District or Possession thereof, or the government of any political subdivision therein, by force or violence," or "Whoever, with intent to cause the overthrow or destruction of any such government, prints, publishes, edits, issues, circulates, sells, distributes, or publicly displays any written or printed matter advocating, advising, or teaching the duty, necessity, desirability, or propriety of overthrowing or destroying, any government in the United States by force or violence" "shall be fined not more than US\$20,000 or imprisoned not more than 20 years, or both, and shall be ineligible for employment by the United States or any department or agency thereof, for the five years next following his conviction."

Western "human rights defenders" believe in the "natural rights of man," rights that the Creator bestows upon a "natural person."

Why is it, then, that the same "natural person" involved in violent overthrow of the government should be guilty in the United States while innocent in China? Why is it that it is illegal to spread communism in the United States while China must accept the Western-style multiparty politics and private ownership?

Judging from the US Code and political practices, punishment for "dissidents" who violate the capitalist state and political system is very severe. However, the United States regards the support and encouragement of rioters and separatists in other countries as a cornerstone of its policy. Isn't it ridiculous?

It is plain to see that the so-called human rights, as advocated by some Americans, are nothing but a weapon they employ to bully others.

U.S. Paper Notes Success of American Investors

OW0604113392 Beijing XINHUA Domestic Service
in Chinese 0908 GMT 4 Apr 92

[By reporter Guo Xiren (6753 6932 0088)]

[Text] Washington, 4 April (XINHUA)—On 3 April, the U. S. WALL STREET JOURNAL carried a long, prominently featured article which said that as long as American companies in China have patience and determination, and pay attention to marketing technique, they will make profits.

The article pointed out: After implementing reform and opening up policies initiated by Deng Xiaoping over the past 15 years, the Chinese people now have a lot of money in their pockets and have a strong desire to shop.

Nowadays, shelves in department stores are filled with four types of shampoo produced by Procter and Gamble (P&G); beer made by the Pabst Brewery is more readily available than Qingdao beer; garment patterns on sale in Beijing department stores outnumber those of any retailer in the United States; and Bausch and Lomb contact lenses are always in great demand. This all shows that U.S. companies in China can succeed.

The article specifically mentioned the successes of Avon Products, Inc., McCall Pattern Company, the H.J. Heinz Company, and Procter and Gamble.

Avon began manufacturing and selling cosmetics and detergents in China in November 1990. Its sales volume doubled initial estimates last year. The company employs 8,000 salesgirls in Guangzhou; its products are well-known in Guangdong Province. The company has accurately sized up the market by targetting 60 million residents within a radius of 100 miles of Guangzhou.

The success of the McCall's lies in its right choice of goods. In 1986, two American students studying in China wrote to the company, saying that there were 200 million sewing machines and a rich variety of fabrics in China, and several hundred million people longing for new fashions. Last year, McCall's sold 115,000 sets of garment patterns in 50 department stores spread over 40 cities in China; it expects to sell 200,000 sets this year.

The Heinz Corporation entered the Chinese market in 1985 after learning from a UN survey that Chinese newborns are deficient in iron and vitamins. According to an insider's estimate, annual sales of this company in China have reached \$20 million. The company is preparing to establish another factory in northern China.

Procter & Gamble may claim to be the most successful foreign enterprise in terms of daily consumer goods. The company initially set up a joint venture company with a soap factory in Guangzhou in August 1988. In January 1991, it erected a new factory there with a built-up area of 100,000 square meters and with 1,000 employees working around the clock. Its main products consist of four types of shampoo and two types of skin protection

cream. Their products are available in many places, be it in coastal areas like Guangdong Province or inland areas like Gansu Province. According to the company, currently, its "Head & Shoulders" has become the most popular shampoo in China. Apart from attributing the popularity of its products to advertising, the company is reluctant to reveal the "secret" of its success. After attempting scores of interviews, a WALL STREET JOURNAL reporter could obtain only a written statement from John E. Pepper, president of the company, which read: "Our business in China is still small; but, we have achieved our objectives. We are confident that business will flourish in the future."

U.S. Abortion Rights Advocates Stage Mass Rally

OW0604045592 Beijing XINHUA in English
0414 GMT 6 Apr 92

[Text] Washington, April 5 (XINHUA)—Five hundred thousand abortion rights supporters, waving signs, placards and flags, gathered on the Capitol Hill on Sunday afternoon to demand women's freedom of abortion.

The signs and placards read, "Keep your laws off my body," "Abort the Supreme Court," "Pass the Freedom of Choice Act now," and "A chosen child is the cherished child."

"We won't go back! We will fight," they chanted as they passed the White House on their way to the Capitol.

"We believe that everybody should have a choice," said Virginia Pratt, a 76-year-old woman. "It's terrible for a woman to have a child she doesn't want."

She and her 75-year-old husband Davis Pratt, a retired college professor who started his schooling nearly 70 years ago in Beijing, specially came from Rhode Island to show their support.

"The abortion should be a sole obligation of the women," said David Pratt.

"We want to win the freedom of choice for our four daughters," said Lynn Mitt, who is marching with his wife Diane and their seven-year-old child.

Democratic Presidential Candidates Bill Clinton and Jerry Brown both flew in from New York to take part in the afternoon march on the Capitol.

More than a dozen Democratic Congressmen and candidates also spoke at the rally, urging people to vote in coming elections for them who support abortion rights.

"Pro-choice candidates have never more needed your help," said Dianne Feinstein, a Californian Democratic candidate running for the Senate.

"If you want a Congress that's pro-choice, you get to elect all of us up here," said Lynn Taborsak, who is running for Congress from the state of Connecticut.

In addition to politicians, Hollywood celebrities led by Jane Fonda and this year's Oscar award winner Jonathan Demme also joined the march and the rally.

"We hope that a strong message will be sent to Congress, to the Supreme Court that women should decide whether or not to have children," said Jane Fonda at the rally. "This is an issue of freedom of choice."

But in the meantime, about 100 meters away more than 100 anti-abortion advocates shouted "Pro-woman, pro-life," waving their placards saying "Abortion has two victims, one dead, one wounded," "Adopt, don't abort!"

"I believe in life. The women should have a right, but the children should have a right too, even the unborn children," said David Terrar, a pro-life advocate from Maryland.

In a news release the National Women's Coalition for Life said that another 4,400 children will die from abortion today.

On the other side of the Mall where the pro-choice supporters gathered for the rally the coalition even erected thousands of white cross for those children died in abortion.

The mass rally was organized by the national organization for woman together with more than 500 other groups.

Central Eurasia

PLA Head Chi Haotian Meets CIS Army Leader

OW0404133392 Beijing XINHUA in English
1322 GMT 4 Apr 92

[Text] Beijing, April 4 (XINHUA)—General Chi Haotian, chief of General Staff of the Chinese People's Liberation Army (PLA), met here today with Lieutenant General V.I. Kotin, first deputy commander of the Far-East Military Area Command of the United Armed Forces of the Commonwealth of Independent States (CIS).

The two sides held a conversation on developing friendly relations between the PLA and the United Armed Forces of the CIS.

Kotin and his party arrived here March 31 at the invitation of the headquarters of the PLA General Staff.

Yeltsin Appoints New Deputy Defense Ministers

OW0404043492 Beijing XINHUA in English
0329 GMT 4 Apr 92

[Text] Moscow, April 3 (XINHUA)—Russian President Boris Yeltsin today appointed General Pavel Grachev and Andrey Kokoshin as first deputy ministers in the newly-established Russian Defense Ministry.

Grachev was deputy minister in the former Soviet Defense Ministry while 46-year-old Kokoshin was deputy director of the U.S.-Canada Studies Institute before the disintegration of the Soviet Union last year.

The Russian Defense Ministry was formed last month by a Yeltsin decree with the president naming himself as defense minister.

XINHUA Ponders Reason for Russian Treaty

OW0604062492 Beijing XINHUA Domestic Service
in Chinese 0417 GMT 1 Apr 92

["Commentary: Why Was the Russian Federation Treaty Signed? (by XINHUA reporter Wan Chengcai)" (001 2050 2088)—XINHUA headline]

[Text] Moscow, 31 March (XINHUA)—In the evening of 31 March, fireworks filled the sky over Moscow's Red Square. Many residents came to watch the colorful fireworks and celebrated the official signing of the Russian Federation Treaty. For citizens who have been extremely disappointed over the Soviet disintegration and have been worried that Russia may follow the Union of Soviet Socialist Republic's footsteps, the signing of this treaty was really worthy rejoicing.

The Russian Federation was one of the founders of the former USSR. In 1922, the whole federation, as a unit, joined the USSR; it never had its own federal treaty. However, in the course of the Soviet disintegration, some autonomous republics, oblasts, and border regions within the Russian Federation also demanded more autonomous powers, or even demanded separation from the Russian Federation. Since the Soviet Union's disintegration, various localities' urges to split have grown stronger, successively declaring themselves to be "sovereign states" or administrative units with sovereignty. On 20 January, the Russian Parliament had no choice but to adopt a resolution agreeing to promote all 16 autonomous republics and four out of five autonomous oblasts in the Russian Federation as republics with the status of "sovereign states." Areas mainly inhabited by those of Russian nationality also reported a noticeable increase in their tendency to split from the Russian Federation. For example, certain political forces in Siberia and the Far East Region demanded to establish the "Yenisey Republic" and the "Siberia Republic."

Under such circumstances, the Russian federal leaders and many citizens were worried that Russia would disintegrate very soon. With hard work and expediting the process for formulating the Russian Federation Treaty that began one and half years ago, they have eventually reached a basically unanimous agreement.

Viewed comprehensively, the Russian Federation Treaty consistently stresses a central theme throughout the text: Powers should be restructured between the Federation

central authorities' organizations and the local authorities' organizations. Its objective aims at increasing the localities' powers to enable them to resolve local social and economic problems.

The Russian Federation Treaty will be submitted, for discussion and approval, to the Sixth Russian Federation Congress of People's Deputies on 6 April. After adoption, it will become an integral component of the new constitution.

Local public opinion reacted positively to the signing of this treaty. The ROSSIYSKAYA GAZETA wrote: This treaty has "important significance." It is "an important step for resolving the national crisis and the crisis in the state system in the Russian Federation." The paper was uneasy that Chechen and Tatar Republics did not sign the treaty. Observers held: The treaty is conducive to stopping the splitting tendency, which has been gradually worsening in the Russian Federation. However, they also maintained that this treaty alone will not be able to resolve existing serious problems in the Russian Federation.

Ukraine Rebuffs Black Sea Fleet Claim

OW0604022892 Beijing XINHUA in English
0159 GMT 6 Apr 92

[Text] Moscow, April 5 (XINHUA)—The move to put the Black-Sea Fleet under its jurisdiction by any other state would be considered as an interference in Ukraine's internal affairs, said the Ukrainian Information Agency UKRINFORM in a statement today.

The statement was made in response to remarks by Russian President Boris Yeltsin last Friday who warned a possible takeover of the entire Black-Sea Fleet by Russia if an unilateral decision was made by Ukraine on the matter.

Ukraine's statement said that under the decision of the Ukrainian parliament on August 24, 1991, all armed forces stationed in Ukraine should obey the order of the Supreme Soviet of Ukraine.

The attempt by any other state to take control of the fleet also contravened the Ukraine-Russia Treaty signed on November 19, 1990, the statement noted.

However, the statement added, it could be decided through consultations between Ukraine and Russia regarding which specific units of the fleet should come under the jurisdiction of the independent commonwealth states.

Garment Company, Russian Firm Plan Venture

OW0404030392 Beijing XINHUA in English
0212 GMT 4 Apr 92

[Text] Beijing, April 4 (XINHUA)—A joint venture garment corporation, "Licaifu" Garment Co. Ltd, will

be set up between Beijing Jinghai Group Corporation and Moscow Garment Hall of Russia.

The total investment amounts to 300,000 U.S. dollars, of which 70 percent is from Jinghai and 30 percent from Moscow. The general manager is Russian garment designer Zaycev.

Based in Beijing, "Licaifu" is capable of making 50,000 sets of garments a year and the garments will be put on domestic and external markets later this year.

Envoy to Russia, Azerbaijan Officials Meet

OW0404020692 Beijing XINHUA in English
0138 GMT 4 Apr 92

[Text] Baku, April 3 (XINHUA)—Acting President of Azerbaijan Yagub Mamedov received Chinese Ambassador to Russia Wang Jinqing here today and they had a cordial conversation on bilateral relations.

During the meeting, Wang, who arrived here thursday to sign the communique on the establishment of diplomatic relations between China and Azerbaijan, said the establishment of the relations has opened up vast vistas for bilateral cooperation in the fields of politics, economy, trade and culture.

Mamedov said that China has achieved great successes in its economic reform and opening to the outside world. Following the establishment of the diplomatic ties, Azerbaijan can learn directly from China's experience in these fields.

Azerbaijani Prime Minister Aziz Gasanov also met with Wang later today. Wang is scheduled to fly back to Moscow this evening.

Northeast Asia

Reportage Views Jiang Zemin's Visit to Japan

Holds Pre-Trip News Conference

OW0604043992 Beijing XINHUA in English
0408 GMT 6 Apr 92

[Text] Beijing, April 6 (XINHUA)—Chinese Communist Party General Secretary Jiang Zemin today said he expects to further the good neighborly ties between China and Japan with his five-day goodwill visit, which started this morning.

Jiang, interviewed by the press before departure this morning, described the purpose of the trip as to celebrate the 20th anniversary of the normalization of Sino-Japanese diplomatic relations, to further the good neighborly relations and to deepen a traditional friendship between the two countries.

Against the backdrop of the current volatile international situation, expansion of Sino-Japanese friendly

relations not only conforms with the fundamental interests of the two peoples, but also will benefit the peace, stability and development in Asia and the world as a whole, he said.

During the visit, Jiang said, he will have an in-depth exchange of views with the Japanese emperor and with Prime Minister Kiichi Miyazawa on bilateral relations and a wide range of international issues.

Asked about China's domestic situation, Jiang said the recent successful sessions of the National People's Congress and the National Committee of the Chinese People's Political Consultative Conference, along with a Political Bureau session of the Chinese Communist Party Central Committee held not long ago, all served to display "a very good atmosphere at home." That is, he said, "We all share a common wish to unswervingly implement the party's basic line of 'one central task, two basic points,' to expand reform and opening and to seek fast economic development."

KYODO Reports Conference

*OW0604030592 Tokyo KYODO in English
0257 GMT 06 Apr 92*

[Text] Beijing, April 6 KYODO—Chinese Communist Party chief Jiang Zemin left Monday morning for an official visit to Japan, where he said he intends to strengthen relations for the benefit of both peoples and peace and stability in Asia and the world.

Jiang said at a news conference before his departure he hopes to discuss a wide range of Sino-Japanese and international issues with Emperor Akihito and Prime Minister Kiichi Miyazawa.

His trip to Japan is part of 20th anniversary celebrations of the reopening of diplomatic relations between the two countries.

The trip is also the first by a secretary general of the Chinese Communist Party to a noncommunist country since the military crackdown on the pro-democracy movement in 1989.

Jiang told reporters he is hopeful of a successful conclusion to outstanding issues between Tokyo and Beijing, including demands from Chinese citizens for wartime compensation from Japan and removal of poison gas left behind by the Japanese Imperial Army.

Foreign Ministry Publishes Itinerary

*HK0404043592 Hong Kong WEN WEI PO
in Chinese 4 Apr 92 p 2*

[Dispatch by staff reporter Chang Chien-hua (1728 1696 5478): "Schedule for Jiang Zemin's Japan Visit Disclosed"]

[Text] Tokyo, 3 Apr (WEN WEI PO)—The person in charge of the Japan Foreign Affairs Ministry China Division told this reporter in Tokyo today: Since there are no major disputes between Japan and China, the

forthcoming visit to Japan by CPC General Secretary Jiang Zemin is designed to lay a foundation for steady and friendly Japanese-Chinese relations in the 21st century in the long-term interest of both countries.

The person also gave this reporter Jiang Zemin's itinerary.

On the afternoon of 6 April, Jiang Zemin will arrive in Japan. After attending a welcoming ceremony, he will have talks with Japanese Prime Minister Kiichi Miyazawa. At nightfall, he will present the photos of pandas, which are about to be sent to Japan, to the Japanese Government. In the evening, he will attend a state banquet hosted by Prime Minister Kiichi.

On the morning of 7 April, he will visit Japan state-owned NHK Television and deliver a speech. Then he will go to the palace to meet Emperor Akihito and attend the luncheon given by the emperor and his wife in his honor. In the afternoon, he will meet with responsible members of Japan political parties in or out of government. In the evening, he will attend a welcoming banquet given by the Japan-China Friendship Association.

On 8 April, he will meet with all previous prime ministers of Japan and have breakfast with them. Then he will meet the president of the House of Councillors and speaker at the House of Representatives. At noon he will have lunch with leading members of various economic organizations. After meeting with the personnel of the Chinese embassy to Japan in the evening, he will leave Tokyo for Osaka.

On the morning of 9 April, he will visit the technology hall of the Matsushita Electric Company. In the afternoon, he will go to Okayama County to visit the Laihu [3471 2073] Bridge. He will arrive in Fukuoka in the evening.

On the morning of 10 April, he will visit the Fukuoka City Museum and Fukuoka County comprehensive experimental farm. In the afternoon he will visit the Zugang [4371 1481] City Museum and Zugang County comprehensive experimental farm. In the afternoon he will leave Japan for home.

Jiang Says Reparations Remains Issue

*HK0604024992 Hong Kong AFP in English
0223 GMT 6 Apr 92*

[Text] Beijing, April 6, (AFP)—The issue of war reparations from Japan for its 1931-1945 occupation of China remains a problem between the two countries, Jiang Zemin, general secretary of the Chinese Communist Party, said Monday.

Speaking to reporters before leaving for a five-day visit to Japan, Jiang said "there are some problems and those problems are objective realities."

"So long as both sides can treat those problems seriously, and especially if the Japanese side can treat those problems seriously, and as long as both sides can sit down for consultations, many of those problems can be resolved properly," he said.

A campaign seeking war reparations from Japan was recently launched in China and a petition signed by 10,000 people sent to the Japanese Diet (parliament) in Tokyo.

During his visit, Jiang is expected to press Japanese officials for a visit to China this year by Emperor Akihito.

Jiang, who travels to Japan with Foreign Minister Qian Qichen, said his visit had two principal objectives: commemorating the 20th anniversary of the normalization of Sino-Japanese diplomatic relations, and promoting friendly, good neighbourly ties between the two countries.

"In the face of the current turbulence in international relations, the further development of Sino-Japanese relations is not only in the interest of our two peoples, but it is also conducive to peace in Asia, in the Pacific region and even to peace and stability throughout the world," Jiang said.

Jiang Departs for Tokyo

OW0604011892 Beijing XINHUA in English
0106 GMT 6 Apr 92

[Text] Beijing, April 6 (XINHUA)—Chinese Communist Party (CPC) General Secretary Jiang Zemin, invited by the Japanese Government, left here this morning for a five-day goodwill visit to Japan.

Among those seeing Jiang off at the Great Hall of the People were Chinese President Yang Shangkun, Premier Li Peng, Standing Committee Member Qiao Shi of the Political Bureau of the CPC Central Committee, and Vice-Chairman Liu Huaqing of the Central Military Commission.

Jiang's entourage includes State Councillor and Foreign Minister Qian Qichen, Director Wen Jiabao of the General Office of the CPC Central Committee, and Minister Li Lanqing of Foreign Economic Relations and Trade.

Jiang Arrives for 'Friendly Visit'

OW0604050492 Beijing XINHUA in English
0446 GMT 6 Apr 92

[Text] Tokyo, April 6 (XINHUA)—Chinese Party Leader Jiang Zemin arrived here this afternoon for a five-day friendly visit at the invitation of the Japanese Government.

The visit came on the occasion when the two countries are prepared to mark the 20th anniversary of the normalization of bilateral relations, which falls on September 29 this year.

During his stay, Jiang, general secretary of the Central Committee of the Communist Party of China, is expected to meet Japanese Emperor Akihito and hold official talks with Prime Minister Kiichi Miyazawa. He will also meet other political and business leaders.

Expects 'Extensive Discussions'

OW0604080392 Beijing XINHUA in English
0751 GMT 6 Apr 92

[Text] Tokyo, April 6 (XINHUA)—Chinese Communist Party leader Jiang Zemin arrived here this afternoon for a five-day goodwill visit as part of the celebrations of the normalization of diplomatic relations between China and Japan.

Jiang, general-secretary of the Communist Party of China (CPC) Central Committee, landed at Tokyo's Haneda International Airport at 13:39 local time in a warm day as the weather turned clear and bright just hours ago after a spring drizzle.

The Chinese party leader said in a written statement upon his arrival that he expected to have extensive discussions with Japanese Government and opposition leaders as well as people from various circles of life on international issues of mutual concern.

"In the current international situation, further consolidation and development of the ties of good-neighborliness, friendship and cooperation between China and Japan is consistent with the fundamental interests of the two peoples and beneficial to peace, stability and development in the Asian-Pacific region and the whole world," he said.

He noted that Japan has made world-known achievements in economic development and China can learn from its experience, adding that he hoped his current visit will enable him to know more about Japan.

Jiang will hold talks with Japanese Prime Minister Kiichi Miyazawa later this afternoon on the furtherance of bilateral relations into the 21st century.

They are also expected to discuss major international and regional issues.

On Tuesday, the Chinese party leader will meet with Japanese Emperor Akihito as well as leaders of the ruling Liberal Democratic Party and opposition parties.

During his stay in Tokyo, he will also call upon Kakuei Tanaka, who as the former prime minister visited Beijing in September 1972 and signed a joint statement on September 29 with the late Chinese Premier Zhou Enlai, declaring the establishment of diplomatic relations between the two countries.

Jiang will leave Tokyo on Wednesday night for Osaka, the second largest city of Japan, and two other places before returning home on Friday.

Jiang's entourage include Foreign Minister Qian Qichen, Director Wen Jiabao of the General Office of the CPC Central Committee, and Minister Li Lanqing of Foreign Economic Relations and Trade.

'Red Carpet Welcome' Greets Jiang

OW0604104392 Beijing XINHUA in English
1024 GMT 6 Apr 92

[Text] Tokyo, April 6 (XINHUA)—Chinese Communist Party leader Jiang Zemin was given a red-carpet welcome soon after his arrival in Tokyo today.

Jiang, general secretary of the party Central Committee, is on a five-day goodwill visit at the invitation of the Japanese Government.

The welcoming ceremony began at 3:00 PM when Jiang and Japanese Prime Minister Kiichi Miyazawa shook hands and exchanged greetings in the compound of Akasaka State Guesthouse.

A military band played the Chinese and Japanese national anthems. The general secretary, accompanied by Miyazawa, reviewed a guard of honor of the Japanese Self-Defense Forces. He also walked around to meet some 500 Japanese youngsters who greeted him by waving miniature flags of China and Japan.

Present at the ceremony were senior Chinese officials accompanying Jiang on the visit including Qian Qichen, state councillor and foreign minister, Wen Jiabao, director of the General Office of the Chinese Communist Party Central Committee, and Li Lanqing, minister of foreign economic relations and trade.

Japanese Deputy Prime Minister and Foreign Minister Michio Watanabe, Finance Minister Tsutomu Hata, Minister of International Trade and Industry Kozo Watanabe and Chief Cabinet Secretary Koichi Kato. [sentence as received]

Jiang Zemin and Miyazawa began official talks immediately after the ceremony.

LIAOWANG Commentary Previews Trip

OW0404115492 Beijing XINHUA Domestic Service
in Chinese 0452 GMT 4 Apr 92

[Text] Beijing, 4 April (XINHUA)—The 14th issue of LIAOWANG to be published on 6 April carries a signed international commentary on the upcoming friendly visit to Japan by Jiang Zemin, general secretary of the CPC Central Committee.

The commentary, entitled "A Great Event in the History of Sino-Japanese Relations" says: "On the advent of the 20th anniversary of diplomatic normalization between China and Japan, Jiang Zemin, general secretary of the

CPC Central Committee, at the invitation of the Japanese Government, will pay a friendly visit to Japan from 6 to 10 April. Given the tremendous changes in international situation and the Chinese Government's decision to accelerate reform and opening to the outside world, this visit without a doubt constitutes a great event in the history of Sino-Japanese relations."

The commentary points out: "The visit has far-reaching significance for launching more fruitful and friendly cooperation between the two countries, for promoting world peace and progress, and for establishing a new international economic and political order."

The commentary says: "Since 1972 when the countries normalized diplomatic relations, the governments and peoples of China and Japan, based on the principle and guiding spirit of the Sino-Japanese Joint Declaration and the Sino-Japanese Treaty of Peace and Friendship, have exerted tremendous efforts and achieved gratifying results in promoting friendly and cooperative relations."

The commentary adds: "The development of friendly and cooperative relations between the two countries helps them understand that such relations are not only beneficial to both sides in international politics but also constitute an important factor for peace and stability in Asia and the world. Such an understanding is a guarantee for a continued development and consolidation of relations."

After reviewing achievements in politics, economy, trade, and cultural and personnel exchanges in the 20 years since the two countries normalized diplomatic relations, the commentary points out: "During this past 20 years, relations between China and Japan have experienced many changes, difficulties, and setbacks. History proves that friendliness is beneficial while hostility is harmful to both sides. It is inevitable that various discrepancies and arguments exist between the two countries. As long as both sides scrupulously abide by the principle of the Sino-Japanese Joint Declaration and the Sino-Japanese Treaty of Peace and Friendship, they certainly will eliminate obstacles, achieve proper solutions, and further develop friendly cooperation. Since both sides share the grand and far-sighted goals of 'carrying on the friendly relations from generation to generation' and 'establishing friendly and cooperative relations geared toward the 21st century' and equip with the down-to-the-earth workhorse spirit that 'promises must be kept and action must be resolute', friendship and cooperation between China and Japan will, like a tree, grow bigger and more prosperous."

The commentary concludes by saying: "Caressed by gentle spring breezes, cherry blossoms begin to bloom." General Secretary Jiang Zemin's visit to Japan when spring is very much in the air certainly will achieve complete success. It is our hope that both China and Japan will see this trip as a turning point and through common efforts achieve more fruitful results in creating

broader prospects for friendly and cooperative relations between the two countries in the near future and in the 21st century.

'Roundup' Views Diplomatic Ties

OW0404120492 Beijing XINHUA Domestic Service
in Chinese 0323 GMT 4 Apr 92

[Roundup by reporter Liu Wenyu (0941 2429 3768):
"Sino-Japanese Friendship Has Deep Roots and Luxuriant Leaves"]

[Text] Beijing, 4 April (XINHUA)— This year marks the 20th anniversary of normalization of Sino-Japanese diplomatic relations. The governments, the opposition, and people from all strata in the two countries are getting ready to greet this magnificent festival with great results of exchanges. Although Sino-Japanese relations encountered with some difficulties two years ago, they were rapidly restored to normal by joint efforts of both sides, demonstrating once again that Sino-Japanese friendship is characterized by its deep roots and luxuriant leaves.

Two years ago, when dark clouds loomed over Sino-Japanese relations, Masayoshi Ito, president of the Friendship Council of Chinese and Japanese Parliamentarians, took the lead in visiting China in September 1989, bringing vitality to strained Sino-Japanese relations. Chinese State Councillor Zou Jiahua visited Japan upon invitation in January 1990, followed by Vice Premier Wu Xueqian's attendance at the grand ascension of Japanese Emperor Akihito in November the same year. It was also the same year that the Japanese Government resumed its third Japanese yen loans to China. In the first half of 1991, Japanese Finance Minister Ryutaro Hashimoto, International Trade and Industry Minister Eiichi Nakao, and Foreign Minister Taro Nakayama visited China in succession; Chinese Foreign Minister Qian Qichen visited Japan. The visit of then Japanese Prime Minister Toshiki Kaifu to China in the second half of 1991 marked the full restoration of political relations between China and Japan. At the same time, a gratifying situation also emerged on the economic front. According to Japanese customs statistics, Sino-Japanese trade volumes hit a record high of \$22.8 billion in 1991; while, according to statistics from the Chinese Foreign Economic Relations and Trade Ministry cited by NIHON KEIZAI SHIMBUN, Japanese investments in China reached \$700 million.

Swift normalization of Sino-Japanese relations is inseparable from the deep-rooted friendship of the peoples of the two nations. Sister cities scattered all over China and Japan played a positive role in promoting and developing friendship at the people's level.

The program for sister city exchanges between China and Japan were initiated ever since 1973 with the direct concern and support of the late Chinese Premier Zhou Enlai and Japanese friends of the older generation who were active in promoting Sino-Japanese friendship. By March 1992, the number of sister cities between China

and Japan had reached 129 pairs. When Sino-Japanese relations ran into difficulties, exchanges between sister cities of the two nations were not seriously affected, and most of the already agreed upon exchange plans were implemented. Both local celebrities and government officials, quite considerable in number, indicated that irrespective of how the international situation developed their relations with sister cities in China and their determination to uphold Sino-Japanese friendship would not change.

The pairing of sister cities has not only propelled the development of Sino-Japanese friendly relations but has also promoted economic and scientific and technological cooperation, and expanded trade between the two countries. In recent years, various types of export commodity trade fairs held in Japan under sister cities sponsorship had generally produced better economic benefits. Technical experts dispatched by the Japanese side to China for technical guidance via the channel of sister cities were warmly welcomed by the Chinese side. The vast majority of trainees sent by China to Japan for training in various fields have scored satisfactory results.

In recent years, educational exchanges between China and Japan have also become more active, carrying far-reaching significance in nurturing successors to the Sino-Japanese friendship and building friendly relations in the 21st century. Educational exchange agreements between the Chinese and Japanese Governments, exchange plans between the Chinese State Education Commission and the Japan International Exchanges Foundations, and academic exchange schemes between the Chinese State Education Commission and the Japan Academics Promotion Society have all been implemented satisfactorily. According to statistics, Chinese students currently studying in institutes of higher learning in Japan alone have exceeded 20,000. Nearly 1,000 Japanese students arrive in China annually for long-term study, while 2,000-3,000 others come as short-term students. Besides, Japanese and Chinese language teachers are exchanged every year to teach Japanese and Chinese language in each others country. The Chinese language is currently taught in more than 100 universities, 70 high schools, and tens of special schools in Japan with nearly 1 million Japanese learning the Chinese language nationwide.

General Secretary Jiang Zemin will visit Japan at a time when Japanese cherries are in full blossom. The Japanese Government has indicated its cordial welcome. General Secretary Jiang's visit will doubtless bring another strong spring wind to the development of Sino-Japanese friendly relations.

Reportage on Jiang Zemin's Visit to Japan

WA0603123492

For Japanese reportage on the visit by Communist Party General Secretary Jiang Zemin to Japan, including reports on his talks with Japanese Prime Minister

Miyazawa and Emperor Akihito, please see the Japan section of the 6 April East Asia DAILY REPORT and subsequent issues.

Li Peng, Zhu Rongji Receive Business Leaders

*OW0304152992 Tokyo KYODO in English
1501 GMT 3 Apr 92*

[Text] Beijing, April 3 KYODO—The chairman of a Japanese business group visiting here said Friday that Chinese Premier Li Peng emphasized the strength of the unity among China's leaders while Vice Premier Zhu Rongji reiterated the importance of accelerating the nation's liberalization and reforms.

Kansai Economic Federation Chairman Osamu Uno, who is in China to hold talks with Chinese leaders, said the meeting was like seeing "two men in the opposite ends." According to Uno, Li said he will close unprofitable corporations, or switch their business fields, while proceeding with reforms and liberalizations. Zhu, on the other hand, told Uno he would like to accelerate the pace of reforms on price system and industrial structure. Li did not use the term "accelerate" even once in the conversation, Uno said.

The premier admitted there were many opinions and criticisms regarding government activities at the Seventh National People's Congress, which ended slightly before the meeting with Uno. But Li said there were only 10 oppositions in the end, Uno said.

Uno said that when he told Zhu he would like to watch the development of the Pudong area in Shanghai, Zhu responded by saying the area has a significant meaning for enhancing the introduction of foreign management technology.

Li Discusses Reforms With Delegation

*OW0304160992 Beijing XINHUA in English
1554 GMT 3 Apr 92*

[Text] Beijing, April 3 (XINHUA)—Chinese Premier Li Peng met with a delegation from the financial circles of Kansai of Japan, headed by Osamu Uno, chairman of the Kansai Economic Federation, at the Great Hall of the People here today.

According to a Chinese official attending the meeting, Li welcomed the Japanese visitors by saying this is a fine time for them to visit China since Beijing is now filled with the beauty of spring.

He continued by saying, "A whole set of important expositions made by Deng Xiaoping concerning speeding up reforms and opening wider to the outside world has greatly encouraged the whole party and people."

"We are fully confident that we will advance the cause of building socialism with Chinese characteristics," he added.

Li said the key topics of the Fifth Session of the Seventh National People's Congress (NPC) and the Fifth Session of the Seventh National Committee of the Chinese People's Political Consultative Conference focused on accelerating reforms, opening wider to the outside world and expanding the economy.

"Half an hour ago, the fifth session of the NPC adopted the government work report and passed a number of other resolutions," Li said. "This accords with the will of all the people."

"All this shows that China is enjoying political stability and economic development, and it reflects the common desire of all the people."

Concerning Sino-Japanese relations, Li said China attaches great importance to maintaining and developing stable and long-term cooperative relations of mutual benefit between the two countries.

This year marks the 20th anniversary of the restoration of diplomatic relations between China and Japan, Li said. He added that the forthcoming visit to Japan of Jiang Zemin, general secretary of the Chinese Communist Party Central Committee, is a major event for bilateral relations.

He said speeding up China's reforms and opening to the outside world as well as steady economic development will help further develop bilateral relations, in particular economic and trade relations between the two sides.

Li hoped that both sides will make concerted efforts toward this end.

At the guests' request, Li briefed them on the policies and measures of further revitalizing large and medium-sized state-owned enterprises, the restructuring of government organizations and shifting their functions, and on China's views on the situation in Northeast Asia.

Zhu Rongji Meets Isuzu Head Kazuhira Seki

*OW0304164392 Beijing XINHUA in English
1552 GMT 3 Apr 92*

[Text] Beijing, April 3 (XINHUA)—Chinese Vice-Premier Zhu Rongji met with a delegation from the Isuzu Motors Limited of Japan here today.

The delegation, led by Isuzu President Kazuhira Seki, is here on a visit as guests of the China National Automotive Industry Corporation.

During the meeting, the two sides expressed the willingness to further develop co-operation in the field of automotive industry.

Cai Shiqing, general manager of the China National Automotive Industry Corporation, was present at the meeting.

Southeast Asia & Pacific

Sihanouk Radio Message Confirms Visits

OW0304192092 Beijing XINHUA in English
1900 GMT 3 Apr 92

[Text] Phnom Penh, April 3 (XINHUA)—Samdech Norodom Sihanouk announced here tonight that he will start his official visit to China Tuesday.

In a message to the nation, which was read over Phnom Penh radio, Sihanouk said that he will lead a delegation of the Supreme National Council (SNC) to visit China and the Democratic People's Republic of Korea from April 7 to 17.

This will be Sihanouk's first overseas trip at the head of a SNC delegation since he return here in November.

Lao Border Delimitation Meeting Ends in Yunnan

HK0604053892 Beijing RENMIN RIBAO
in Chinese 26 Mar 92 p 4

[XINHUA report: "Second Meeting of China, Lao Boundary Survey Joint Committee Ends"]

[Text] The five-day second meeting of the Joint Committee for Surveying the Boundary Between the PRC and the People's Democratic Republic of Laos was successfully concluded on 23 March in Jinghong, the capital of Xishuangbanna Dai Nationality Autonomous Prefecture, Yunnan Province. During the meeting, representatives of both sides fully discussed relevant issues concerning the boundary surveying work in a sincere and friendly atmosphere, and reached a consensus. The meeting decided that the joint committee's third meeting will be held in Vientiane, Laos.

NPC Official Receives Papua New Guinea Guests

OW0304173092 Beijing XINHUA in English
1554 GMT 3 Apr 92

[Text] Beijing, April 3 (XINHUA)—Chen Muhua, vice-chairman of the Chinese National People's Congress (NPC) Standing Committee and president of the All-China Women's Federation (ACWF), met with a women delegation from Papua New Guinea at the Great Hall of the People here this evening.

The delegation is headed by Margaret Nakikus, wife of the prime minister of Papua New Guinea.

During the meeting, Chen had a friendly conversation with the guests on issues including women's participation in activities of social development.

After the meeting, Chen hosted a dinner in honor of the guests.

The visitors arrived here Thursday at the invitation of the ACWF.

Near East & South Asia

Delegation Seeks Two-Way Trade With Israel

HK0504040792 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 5-11 Apr 92 p 1

[By Liu Hong: "World Bank Studies Loan To Aid Grain Distribution"]

[Text] A Chinese trade delegation left for Israel on April 4 for the highest-level business visit between the two countries since diplomatic relations were forged.

Zheng Hongye, president of the China Council for the Promotion of International Trade (CCPIT), heads the 11-member group of delegates from the Bank of China, the Ministry of Foreign Economic Relations and Trade (MOFERT) and a number of large trade companies.

China National Chemicals Import and Export Corporation, China National Technical Import and Export Corporation, China National Machinery Import and Export Corporation, and the Great Wall Industrial Company are expected to hold talks with their Israeli counterparts.

"We hope to discuss the possibility of direct bilateral trade," said Chen Zhengrong, an official from CCPIT.

The delegation was invited by the Federation of Israeli Chambers of Commerce and the Manufacturers Association of Israel, two non-government trade agencies.

The two sides will co-sponsor a seminar titled "Doing Business with China" during the April 4-10 visit.

The Chinese delegation is also scheduled to meet top Israeli leaders in government, finance, industry and commerce to discuss a wide range of issues.

"Both Chinese and Israeli business circles are interested in further contacts with each other," Chen said.

It is known that Chinese machinery and electronic products have certain niches in Israeli markets, while Israel's hi-tech products and agricultural technology have caught the eye of Chinese companies.

But Chen declined to give specific areas that the two sides are likely to talk about.

Dov Lautman, president of the Manufacturers Association of Israel, is expected to lead a 13-member delegation for a reciprocal visit to China from April 20-30.

In November last year, a delegation organized by the Federation of Israeli Chambers of Commerce visited China as a prelude to establishment of diplomatic relations.

CPC Member Lu Rongjing Leaves for India*OW0404025992 Beijing XINHUA in English
0218 GMT 4 Apr 92*

[Text] Beijing, April 4 (XINHUA)—Lu Rongjing, member of the Communist Party of China (CPC) Central Committee and secretary of the CPC Anhui provincial committee, left here by air this morning for Hyderabad, India as CPC representative to attend the 15th congress of the Communist Party of India between April 10 to 16 at the invitation of the Indian Communist Party Central Committee.

The Chinese Communist Party resumed its ties with the Indian Communist Party in March, 1988. The Indian Communist Party, one of the major political parties in India, has about 450,000 members.

Pakistan Ombudsman, Delegation Arrive in Beijing*OW0504131792 Beijing XINHUA in English
1218 GMT 5 Apr 92*

[Text] Beijing, April 5 (XINHUA)—Pakistan Ombudsman Justice Usman Ali Shah and his party arrived in Beijing this afternoon on a 9-day visit to China at the invitation of the Chinese Ministry of Supervision.

Justice Usman Ali Shah is the first Pakistan ombudsman to visit China.

Soon after his arrival, Chinese Minister of Supervision Wei Jianxing hosted a dinner at the Great Hall of the People.

The Pakistan visitors will tour Beijing, Xian, Guangzhou and Zhuhai during their stay in China.

Article Views Arab Stance on Mideast Peace Talks*HK0404045692 Beijing RENMIN RIBAO in Chinese
2 Apr 92 p 6*

["News Analysis" by staff reporter Xu Ping (1776 1627): "Appraising Peace Talks Situation, Striving for Coordinated Action"]

[Text] Cairo, 31 Mar—On 30 March, the U.S. State Department spokesperson Margaret Tutwiler announced that the United States has suggested that Arab and Israeli parties begin a new round of direct bilateral talks in Washington on 27 April. Because this proposed round of talks will decide the new venue of bilateral talks and because Israel is to hold general elections on 23 June, the meeting is considered to be the last round of direct bilateral talks between the Arabs and the Israelis to be held in Washington before the Israeli elections. Some leading Arab countries are presently evaluating the results of the five-month long negotiations, the most important of which is the sudden two-day visit to Egypt by Syrian President Assad on 17 and 18 March and his talks with Egyptian President Mubarak.

According to reports, Egypt believes that it is an achievement in itself that the talks have not reached a dead end and that it should be carried out with the greatest patience. On the other hand, Syria contends that given Israel's current attitude, the peace talks are unlikely to achieve any substantial progress. But Syria has long indicated that it will not voluntarily withdraw from the talks. Hence, when Assad indicated at the joint news conference held with Mubarak at the end of his Egyptian visit that Syria will carry on with the talks, his purpose was to prove that it is Israel which is setting up all kinds of obstacles to the peace talks. On the multilateral talks, Egypt believes that Syria's participation in the peace talks will put pressure on Israel and will prompt the latter to become more flexible in the bilateral talks. Meanwhile, Syria still insists on taking part only on the condition that progress is made in the bilateral talks because it feels that it would be inadvisable to participate in the multilateral talks given that Israel has not shown any sincerity to comply with the resolutions concerning the occupied territories. Even though Egypt and Syria differ in their assessments of the results of the peace talks thus far, the two sides do agree about not refusing to take part in the next round of bilateral talks.

It is expected that once Ramadan is over, the Arab countries will step up their coordinating efforts. The foreign minister of Lebanon has already announced that the Arab foreign ministerial conference to be held in Lebanon soon will assess the five-month long peace talks, strive to coordinate their actions, and study the prospects of the next phase of talks. News reports claim that aside from insisting that the United States apply more pressure on Israel, the Beirut meeting to be participated in by Syria, Lebanon, Jordan, and Palestine will also issue a joint letter to the foreign ministers of the peace talks' initiating countries, the United States and Russia, and ask that they intervene directly in the next phase of the talks. Furthermore, it is also possible that these countries will form a joint delegation to seek support from the European permanent members of the Security Council and from the members of the non-aligned movement.

In Tunis, Palestine Liberation Organization sources report that the executive council of the PLO will also hold a meeting when Ramadan ends in early April in order to study at least two issues, namely: the increasingly intensive struggle in the occupied land and the question of Palestinian autonomy.

As for the new round of Washington talks proposed by the United States, no opposition has been raised by any country thus far. However, some meetings to be held by the Arab sides will determine their next steps as well as their stance and action at the meeting; hence, to a certain extent, they will decide the direction of the Middle East peace talks. It is for this reason they have attracted attention.

Al-Qadhdhafi Seeks Arab Help on UN Resolution

*OW0404130792 Beijing XINHUA in English
1231 GMT 4 Apr 92*

[Text] Tripoli, April 4 (XINHUA)—Libyan leader Mu'ammar al-Qadhdhafi today urged Arabs to support Libya in its confrontation with the West over two bombing incidents allegedly involving six Libyan suspects.

In a dawn speech marking the end of Islam's holy month of Ramadan, al-Qadhdhafi warned that Libya would "resort to arms and automatic guns and barricades" to thwart any Western attempt to occupy Libya because of its refusal to bow to the Western demand.

Libya, al-Qadhdhafi reasserted, will not surrender to the United States and Britain two Libyans wanted on charges of blowing up a U.S. airliner over Scotland in 1988. The blast killed 270 people.

France is also seeking four other Libyans in the 1989 bombing of a French airliner over Niger, in which 171 people were killed.

"It's impossible," al-Qadhdhafi told 3,000 people in Green Square, Tripoli's main plaza. "If they try them at the Arab League or in an Arab or in a friendly country, that would be fine. But they want them tried in a Christian country."

"If this is an excuse to occupy Libya, we will resort to arms and automatic guns and barricades. There will be guns and trenches, a line of fire between us and them," he warned.

But he appeared to suggest a possible compromise—voluntary surrender by the two suspects to Britain or the United States.

"We will not surrender them," al-Qadhdhafi said. "If they volunteer and go of their own volition, then that is all right," he added.

The U.N. Security Council voted Tuesday to impose sanctions on Libya after it failed to hand over the suspects in the Pan Am Flight 103 disaster to Britain or the United States for trial and send four other Libyans before a French judge investigating the downing of the French UTA's Flight 772.

The resolution gives Libya until April 15 to go along with the Western demands. If Libya does not comply by this date its air links with the rest of the world will be cut off and it will suffer a variety of other economic and political sanctions, including an arms embargo.

The Libyan Foreign Ministry said earlier that the U.N. move was "a political and strategic action against all Arab and Muslim countries in favor of Zionist and imperialistic designs."

The resolution was adopted despite pleas from the Arab League, the Organization of Islamic Conference and the

Maghreb Union of Northern African Countries for delay and warnings by these bodies that sanctions against Libya risk arousing politically destabilizing passions throughout the Arab world.

Al-Qadhdhafi said at the dawn prayers that, "Libya is ready to defend all the Muslims. The crusader enemy is coming to each Libyan home, and our wives and children are in danger." It was al-Qadhdhafi's first public speech since the U.N. resolution was adopted.

"We must show the Arabs that the danger is real, and that what happened to Iraq can happen to any other Arab country," said the Libyan leader, referring to Iraq's reeling under U.N. sanctions imposed to punish its August 1990 invasion of Kuwait.

Sub-Saharan Africa

CPC Sends Message to Pan-Africanist Congress

*OW0304223292 Beijing XINHUA in English
2141 GMT 3 Apr 92*

[Text] Windhoek, April 3 (XINHUA)—China today expressed the hope that the South African people will close their ranks in the struggle for "a new South Africa of freedom, democracy and unity."

This was contained in a message sent by the Central Committee of the Communist Party of China (CPC) to the Third National Congress of the Pan-Africanist Congress (PAC) which opened today in Umtata, capital of South Africa's homeland Transkei.

"We sincerely hope that South African people of all ethnic groups and from all walks of life will strengthen their solidarity and make joint efforts to put an end to apartheid and to establish a new South Africa of freedom, democracy and unity," the message said.

The message noted that South Africa has undergone some positive changes during the past two years, such as the lifting of the ban on liberation organizations, the release of long-imprisoned black leaders and many other political prisoners, and the repeal of racist laws.

"These are the result of the long term struggle of the South African people and the liberation organizations including the PAC as well as of the support of the international community," the message said.

The CPC believes that the present national congress will lay a solid foundation for the future expansion and growth of the PAC and for more successes of the struggle aimed at the abolition of apartheid, it said.

The Chinese Communist Party has always sympathized with the South African people in their struggle against apartheid and will further develop and consolidate the existing friendship between the CPC and the PAC and that between the Chinese people and the people of South Africa, it said.

Li Ruihuan Meets Cape Verde Visitors*OW0404160392 Beijing XINHUA in English
1432 GMT 4 Apr 92*

[Text] Beijing, April 4 (XINHUA)—Li Ruihuan, member of the Political Bureau Standing Committee of the Chinese Communist Party (CPC) Central Committee, met with a delegation from the Movement for Democracy (MFD) of Cape Verde here this evening.

The delegation is headed by Daniel Lobo, member of the MFD National Executive Committee and head of the MFD Foreign Relations Committee.

Li welcomed the guests on behalf of the CPC Central Committee. He said that it is the first time for the CPC and the MFD to make contact, and the CPC is willing to develop the relations with the MFD on the four principles of "independence, complete equality, mutual respect and non-interference in each other's internal affairs."

He said it is an important aspect in China's foreign policy to strengthen friendly relations and co-operation with the Third World countries and their peoples.

In the present complicated and changing world situation, Li said, it benefits both sides to develop relations between the CPC and the MFD.

During the meeting Lobo gave an account of the political and economic situation of Cape Verde, and its domestic and foreign policies. He said his current visit will promote the friendship and co-operation between the two parties.

Zhu Liang, head of the CPC Central Committee International Liaison Department, attended the meeting.

The guests are here at the invitation of the CPC Central Committee's International Liaison Department.

Ethiopian Ambassador Presents Credentials*OW0304054492 Beijing XINHUA in English
0309 GMT 03 Apr 92*

[Text] Beijing, April 3 (XINHUA)—Newly-appointed Ethiopian ambassador to China, Haile Giorgis Brouk, presented credentials to Chinese President Yang Shangkun here today.

Brouk arrived in Beijing March 23.

West Europe**XINHUA on Prospect for UK Labor Party***OW0504001892 Beijing XINHUA in English
0008 GMT 5 Apr 92*

[Text] London, April 4 (XINHUA)—Five out of six opinion polls released Saturday night show that the opposition Labor Party is likely to be the largest party

short of a 326-seat overall majority in a hung Parliament after the April 9 general election.

If Prime Minister John Major could not form a coalition with other minority parties, Labor Leader Neil Kinnock would be the prime minister next weekend.

The five polls, to be published in Sunday newspapers, show that Labor has an average two point lead over the Conservatives and only one poll, to be published in the SUNDAY TELEGRAPH, gives a level-pegging between the two main parties.

Labor's sustained narrow lead in three week's campaign in a row has reflected the contrast of Conservative lackluster performance with Labor's concerted and effective offensives throughout the campaigning time.

Major, who was pushed up to the Conservative leadership in November 1990, as he was regarded as one of the main assets for the Conservatives, is now losing popularity with a net satisfaction of 14 at the start of the campaign plumbing down to only 2, while Kinnock's rating soaring from -12 to 2 at the weekend.

All parties reacted to the findings of the weekend polls with confidence.

Conservative strategists remain convinced that, if the parties are neck-and-neck in the polls, Major will still win an overall majority on April 9, because Labor's votes are unevenly distributed in safe seats.

Major refused to comment on the polls but insisted that his party would win the election and warned a Labor government would "seriously damage the nation's wealth."

Labor is confident that victory is now within their grasp and its trade spokesman Gordon Brown said the polls showed that people were looking for a change.

The Liberal Democrats, who is the only beneficiary as the polls show that their support is surging ahead [sentence as received]. And Liberal Democrat Campaign Director Des Wilson claimed that his party was the sole one on the rise and he was looking at a "very, very good result" after the April 9 election.

Over the past week, there were about nine million voters have changed sides since the campaign began, either from "don't knows" or from one party to another with the Liberal Democrats gaining the most.

But floating votes remain high and all the parties will intensify their campaign to woo undecided voters in the remaining five days running up to April 9.

A hung Parliament is looking increasingly likely and all the parties have stated their position once they face the inevitable.

The Conservatives have ruled out any deal with the Liberal Democrats on the condition of immediate

changes to the electoral system from present "first-past-the-post" to proportional representation.

Major has said that there were no circumstances in which "I would introduce proportional representation" and would rather be hounded from government than promise proportional representation to the Liberal Democrats as the price of their support to form a coalition.

Labor, while saying "no deals, no pacts, no bargains, no trade-offs" with the Liberal Democrats, has offered them a place in its "Plant Commission" that is considering electoral reform and promised to introduce proportional representation for elections to the European Parliament, hoping thus to weaken their resolve demanding immediate legislation for the voting system reform and to win their support for a coalition.

The Liberal Democrats have said either the Conservatives or Labor could win their support for a coalition only on condition that proportional representation should be accepted by either of them and put in the Queen's speech on May 6 as one of the government's bills to be transformed into legislation within the lifetime of the new Parliament.

Pre-Election Campaign 'Intensifying'

OW0604025292 Beijing XINHUA in English
0221 GMT 6 Apr 92

[Text] London, April 5 (XINHUA)—As the election campaign enters its final phase with only four days left before the general election on April 9, all the British political parties are intensifying their electioneering in an attempt either to avoid a defeat or to win over more voters in their scrambling for power.

Prime Minister John Major, whose Conservative Party is on the verge of defeat as was indicated by recent opinion polls, today made a stark warning that Labor and the Liberal Democrat oppositions would threaten to lead to the break-up of the United Kingdom.

With the latest opinion polls pointing to a hung Parliament and Labor becoming the largest parliamentary party, Major appealed to the electorate to "wake up," not to "sleepwalk" towards a hung Parliament, before it was too late.

His claims, most strident of the campaign, referred to the plans of the two opposition parties for Scottish devolution and closer European integration.

"I would put it into this single warning—the UK is in danger. Wake up my fellow countrymen, wake up now, before it is too late," he told a Conservative rally in London.

He also launched a strong defence of the achievements of the past 13 years of Conservative rule and warned voters not to "fall in Labor's trap."

"This is not a by-election. It will determine who forms a government on Friday and who governs our country for five years," he told his supporters.

Senior Conservatives now concede privately that they were likely to remain behind in opinion polls until the polling day, but they said they would fight to the end.

Apart from stressing the dangers to the unity of the United Kingdom, the Conservative campaign will concentrate this week on emphasizing the "threat" to recovery that would be posed by a Labor government, and pointing out Labor's likelihood of an immediate increase in the interest rates to curb the pound sterling sliding.

Labor, confident that it was on course to power, stepped up its offensive to win over more voters who are still wavering and who might change side by insisting that a majority Labor government would seek to govern by consensus.

In a speech at a gathering of celebrity supporters in London, Labor Leader Neil Kinnock contrasted a Conservative government that "insists it knows best" with a Labor administration that "will heed the people and act for their well-being."

Kinnock again emphasized his party's willingness to reform the Constitution and to convene a national debate on changes to the voting system. Labor strategists acknowledged that Kinnock's pledges were directed at "soft" Liberal Democrat supporters who needed to be persuaded that the Labor leader was also committed to an electoral reform.

Liberal Democrat Leader Paddy Ashdown today was still unswerving over his stance that any party leader who intends to form a coalition government with him in case there is a hung Parliament should accept his condition for immediate legislation for the electoral reform.

Otherwise, he would force a second election by voting against the Queen's speech on May 6, which is to outline a minority government's program in the new Parliament.

Ashdown, however, admitted that he was taking a risk by refusing to prop up a minority government without commitment to his demand for changing the present "first-past-the-post" voting system to proportional representation.

He said he could be blamed for forcing a second election—but he was seeking proportional representation as it was central to a coalition that would ensure a stable government while a minority government could only cause "an economic crisis."

Some of his colleagues, however, believe that in the event of a hung Parliament, the Liberal Democrats might have to soften its stance if the party wants to join in the administration.

If there was a coalition government with Labor, Ash-down said his party should have four posts in the cabinet and he wanted to be the education secretary as education was the first priority in his party's manifesto.

Industrialists Arrive in Germany for Economic Talks

*LD0404080592 Hamburg DPA in German
1147 GMT 30 Mar 92*

[Excerpt] Cologne (DPA/VWD)—A purchasing delegation of top Chinese industrialists arrived in Schwerin today. The delegation will make efforts to intensify the economic relations between the new federal laender and the PRC. The East Committee of German Industry announced in Cologne that during their five-day visit to eastern Germany the 15-strong Chinese delegation will also hold talks in Berlin, Potsdam, Magdeburg, Eisenach, Erfurt, and Dresden.

An exchange information with the economics ministries of the laender as well as the Chambers of Industry and Commerce is planned, but "concrete business negotiations with companies" will also be conducted. The visit is a "good basis for continuing the formerly intensive economic relations of eastern German enterprises with China," explained Karl-Hermann Fink, chief executive of the East Committee.

Delegation leader Zhang Xuming, who is in charge of exports and imports at Beijing's Foreign Trade Ministry, is accompanied by the vice presidents of leading Chinese foreign trade companies. [passage omitted]

East Europe

Serbian Prime Minister, Group Depart for Visit

*OW0504013992 Beijing XINHUA in English
0115 GMT 5 Apr 92*

[Text] Belgrade, April 4 (XINHUA)—Serbian Prime Minister Radaman Bozovic headed for China today for an official visit at the invitation of Heilongjiang's provincial government.

During the visit, Bozovic and his party are expected to hold talks with Chinese officials on ways to reinforce bilateral cooperation.

Chinese Ambassador to Yugoslavia Zhang Dake saw Bozovic off at the airport.

Arrival Noted

*LD0504110492 Belgrade TANJUG in English
1041 GMT 5 Apr 92*

[Text] Beijing, April 5 (TANJUG)—The prime minister of the Republic of Serbia, Radoman Bozovic, today arrived on a several-day visit to China during which he and senior Chinese officials will discuss the latest developments in Yugoslavia and in the world. The official part of the visit starts on Monday, with a meeting with Chinese Deputy Prime Minister Zou Jiahua which will focus on the promotion of bilateral cooperation.

Besides Beijing, Bozovic will also tour the Chinese northeastern province of Heilongjiang.

About 50 businessmen from Serbia and Montenegro are currently in China, most of them for "Agro Expo 92," an international agricultural fair whose opening on Tuesday will also be attended by Bozovic.

Meeting With Zou Jiahua

*OW0604034192 Beijing XINHUA in English
0332 GMT 6 Apr 92*

[Text] Beijing, April 6 (XINHUA)—Chinese Vice-Premier Zou Jiahua met with Radoman Bozovic, prime minister of the republic of Serbia of Yugoslavia, and his party here today. The host and the guests exchanged views on issues of common concern.

Bozovic is leading a delegation of the government of the Republic of Serbia on a visit to China at the invitation of the government of Heilongjiang Province of China. The delegation arrived here April 5.

Hungarian Consular Delegation Arrives for Visit

*LD0604095992 Budapest MTI in English
0854 GMT 6 Apr 92*

[Text] Beijing, April 6 (MTI)—A Hungarian consular delegation arrived in Beijing for a week-long series of official talks. The delegation is headed by Laszlo Saringer, leader of the Foreign Ministry's Consular Department.

NPC Session

Reportage Views Proposals, Resolutions, Decision

Separate Hong Kong Proposal Defeated

HK0304020092 Hong Kong SOUTH CHINA
MORNING POST in English 3 Apr 92 p 12

[By Daniel Kwan in Beijing]

[Text] A proposal to form a Hong Kong delegation to the National People's Congress [NPC] that is independent of the Guangdong delegation has been defeated, says a senior Chinese official.

Mr Cheng Yiu-tong, a territory delegate to the NPC, had proposed earlier that the number of Hong Kong delegates to the Chinese parliament be raised from the current 18 to 30.

One reason was that 30 signatures were required for the raising of a formal motion.

But according to the Director of the Hong Kong branch of the NEW CHINA NEWS AGENCY [NCNA], Mr Zhou Nan, who is also a member of the NPC Standing Committee, the proposal was not adopted because of a decision by the Standing Committee not to change the present make-up.

The decision which was passed by the Standing Committee in the past few days, stated that the number of delegates from each province and region would be maintained at the same level for the next five years.

"Although I agree that it is necessary to raise the number of Hong Kong delegates as the next term of the NPC will straddle 1997, the condition is not mature yet for Hong Kong to form a separate delegation," Mr Zhou said yesterday.

Mr Cheng, a trade unionist, admitted Beijing had to consider the opinion of other provinces, even though he himself thought Hong Kong required more seats in the congress.

The only solution, Mr Zhou said, was to allocate more seats to Hong Kong through a "special quota".

The special quota, which vouchsafes up to a total of 22 seats, was originally set aside for representatives of minority peoples in the mainland.

Meanwhile, Mr Zhou yesterday denied that the NCNA was engaged in the collection of intelligence in Hong Kong, specially concerning activists who were deemed to oppose the Chinese Government.

"I do not understand where you pick up these rumours from," the director told Hong Kong reporters during a break at the NPC.

Mr Zhou's remark contradicted an earlier statement by China's Public Security Minister, Mr Tao Siju, that his

ministry and the NCNA had been keeping files on Hong Kong citizens who were opposed to Beijing.

Chinese sources in Hong Kong said aside from the police and the NCNA, other mainland units including representatives from the military might also be involved in intelligence gathering.

Guangzhou Mayor Foreign Exchange Proposal

HK0604095192 Hong Kong TA KUNG PAO
in Chinese 31 Mar 92 p 2

["Special dispatch" from Beijing by staff reporter Hsing Yu (6717 6877): "Guangzhou Mayor Li Ziliu Submits Proposal to Central Authorities on Establishing Foreign Exchange Market in His City"]

[Text] Beijing, 28 Mar (TA KUNG PAO)—It is learned here that Li Ziliu, Guangzhou mayor and also a deputy to the National People's Congress [NPC], has asked for the approval of the central authorities to set up an open foreign exchange market in his city. His proposal, signed by 11 deputies, has been submitted to the NPC Standing Committee. Li Ziliu said: China is now short of foreign exchange funds. To reasonably use the foreign exchange funds, to better promote openness to the outside world, and to accelerate economic development, the state is exercising unified management over foreign exchange. In February 1986, the State Council permitted institutions to transfer foreign exchange held in their hands through the administration of exchange control, and then successively approved the establishment of foreign exchange transfer centers in Shanghai, Guangdong, Fujian, Hainan, Guangzhou, Xiamen, and Dalian. Since Guangzhou set up its foreign exchange transfer center in May 1988, a good situation has been kept in the foreign exchange market, and the turnover of foreign exchange transactions has been increasing every year. In 1988, the volume of transactions was \$450 million; in 1990, it increased to \$910 million; and in 1991, the figure rose to \$1.04 billion. The transfer center has played an important role in further stabilizing the exchange market, facilitating the lateral circulation of the foreign exchange funds, reducing the exchange-rate risks to be faced by the enterprises involved in import or export business, and arousing the enterprises' enthusiasm for increasing exports and foreign exchange earnings. However, such foreign exchange transfer remains in a primitive and closed pattern. The mode of transactions is too simple; the scope of business is too narrow; and the operation is not transparent and is not effectively managed. Hence, the operation of the foreign exchange transfer center has become increasingly unsuited to the needs in the reform of the foreign trade system and the banking and financial system in Guangzhou, and has become extremely unsuited to the needs in the city's developing situation in attracting foreign investment and using foreign funds. Establishing an open foreign exchange market is a step complying with the trend of reform and opening and with the needs in enlivening the economic situation. At

present, Guangzhou has had many favorable conditions for setting up an open foreign exchange market.

First, Guangzhou is a central city that is carrying out pilot schemes of reform and opening, and is one of the cities that the State Council first permitted to carry out the pilot schemes of reforming the financial and monetary system. Its foreign exchange transfer center was set up earlier than those in other localities, and the city has accumulated quite a lot of experience in managing an elementary foreign exchange market. Second, Guangzhou is close to Hong Kong and Macao, and is the political, economic, and cultural center of Guangdong Province and the largest commercial and trade center in South China. Its transport and communications conditions are better, so it has quick access to business information. In particular, local foreign exchange settlement can be conducted rapidly and efficiently. Third, Guangzhou's capacity of earning foreign exchange is larger than other cities, and its foreign exchange income in 1991 reached \$1.84 billion, ranking first among large cities. Fourth, the establishment of the foreign exchange transfer center has provided the institution, the personnel, and the equipment for the establishment of an open foreign exchange market.

Li proposed that Guangzhou be permitted to set up an open foreign exchange market, whose operation is directly guided and supervised by the People's Bank in Guangzhou and the city's Administration of Exchange Control. The People's Bank may allocate a certain amount of foreign exchange funds for the market transactions and may use economic means to control the operation of the foreign exchange market.

Resolution on Economic, Social Development

OW0304211492 Beijing XINHUA Domestic Service in Chinese 1051 GMT 3 Apr 92

[Resolution of the Fifth Session of the Seventh National People's Congress on the implementation of the 1991 National Economic and Social Development Plan and on the 1992 National Economic and Social Development Plan—adopted on 3 April]

[Text] Beijing, 3 April (XINHUA)—In accordance with the report of examination of the Financial and Economic Committee under the National People's Congress [NPC], the Fifth Session of the Seventh NPC has decided to approve, after deliberation, the 1992 National Economic and Social Development Plan put forward by the State Council, as well as the "Report on the Implementation of the 1991 National Economic and Social Development Plan and on the 1992 Draft Plan" made by Zou Jiahua, vice premier of the State Council and minister in charge of the State Planning Commission.

On Procuratorial Work Report

OW0304213192 Beijing XINHUA Domestic Service in Chinese 1050 GMT 3 Apr 92

[Resolution of the Fifth Session of the Seventh National People's Congress on the work report of the Supreme People's Procuratorate adopted on 3 April]

[Text] Beijing, 3 April (XINHUA)—The Fifth Session of the Seventh National People's Congress has approved Procurator General Liu Fuzhi's "Work Report of the Supreme People's Procuratorate."

On 1992 State Budget

OW0304213292 Beijing XINHUA Domestic Service in Chinese 1151 GMT 3 Apr 92

[Resolution of the Fifth Session of the Seventh National People's Congress on the implementation of the 1991 state budget and on the 1992 state budget—adopted on 3 April]

[Text] Beijing, 3 April (XINHUA)—In accordance with the examination report of the Financial and Economic Committee under the National People's Congress [NPC], the Fifth Session of the Seventh NPC has decided to approve, after deliberation, the 1992 state budget proposed by the State Council and the "Report on the Implementation of the 1991 State Budget and on the Draft 1992 State Budget" delivered by State Councillor and Finance Minister Wang Bingqian. The session has authorized the NPC Standing Committee to examine and approve the 1991 state final accounts.

On Standing Committee Work Report

OW0304222092 Beijing XINHUA Domestic Service in Chinese 1202 GMT 3 Apr 92

[Resolution of the Fifth Session of the Seventh National People's Congress (NPC) on the work report of the NPC Standing Committee—adopted on 3 April]

[Text] The Fifth Session of the Seventh National People's Congress [NPC] deliberated on a work report made by Vice Chairman and Secretary General Peng Chong on behalf of the NPC Standing Committee. The session noted: Over the past year, the Standing Committee has expedited the legislative process, intensified the inspection and supervision of law enforcement efforts, and made new progress in other fields of work. The session has decided to approve the report.

The session urged the NPC Standing Committee to continue to uphold the guidance of the CPC's basic line, to keep a firm hold on the central task of economic construction, to embrace as its primary duty the task of ensuring and promoting reform and openness, and to earnestly exercise various functions stipulated in the constitution. It also called on the Standing Committee to further expedite the legislative process in order to meet

the needs of socialist modernization, reform, and openness. Moreover, the Standing Committee was urged to attach equal importance to the inspection and supervision of law enforcement efforts and to the enactment of laws. The session also exhorted the Standing Committee to firmly remedy such actions as noncompliance with the law, slack law enforcement efforts, and failure to investigate violations of the law. The Standing Committee was asked to oversee and encourage an overhaul of various laws and regulations, revoking or amending in accordance with the law all statutes that conflict with the constitution or that cannot meet the needs of reform and openness. The session urged the Standing Committee to make serious preparations for end-of-term elections, to ensure the smooth progress of such elections, to carry on the program to build socialist democracy and the socialist legal system, to work constantly to improve the system of people's congresses, and to play its role more effectively.

Decision on Deputies' Numbers, Election

OW0304222192 Beijing XINHUA Domestic Service
in Chinese 1132 GMT 3 Apr 92

[Decision of the Fifth Session of the Seventh National People's Congress (NPC) on the number and election of deputies to the Eighth NPC—adopted on 3 April]

[Text] Beijing, 3 April (XINHUA)—Following is the decision of the Fifth Session of the Seventh National People's Congress (NPC) on the number and election of deputies to the Eighth NPC made in accordance with the "Constitution of the People's Republic of China" and the "Procedures of the People's Republic of China for Electing the National People's Congress and Local People's Congresses at All Levels":

1. The number of deputies to the Eighth NPC will not exceed 3,000.

2. The numbers of deputies from provinces, autonomous regions, and municipalities directly under the central government to be elected to the Eighth NPC will equal those elected to the Seventh NPC.

The number of deputies from each of the provinces and autonomous regions with exceptionally small populations may not be fewer than 15.

The number of deputies from Taiwan Province will be temporarily set at 13. These deputies will be elected from among Taiwan compatriots in various provinces, autonomous regions, municipalities directly under the central government, and the Chinese People's Liberation Army (PLA). A quota of deputies will be maintained for election in accordance with the law.

3. A total of 267 deputies from the Chinese PLA will be elected to the NPC.

4. The number of minority NPC deputies should account for approximately 12 percent of the total number of NPC deputies.

Each of the particularly small minority groups should be represented by at least one NPC deputy.

5. Thirty-five deputies should be elected to the NPC from among returned overseas Chinese.

6. The proportion of women deputies to the NPC will not be smaller than that of the Seventh NPC.

7. To ensure that areas with particularly small populations, exceptionally small minority groups, and areas with substantial concentrations of deputies from various quarters will be properly represented, the NPC Standing Committee will, in light of circumstances, assign specific quotas to relevant provinces, autonomous regions, and municipalities directly under the central government for election to the NPC.

8. Deputies to the Eighth NPC from provinces, autonomous regions, municipalities directly under the central government, and the Chinese PLA should be elected by the end of January of 1993.

Further Reportage Views Three Gorges Project

Li Xiannian Urges Hubei's Support

OW0504132692 Beijing XINHUA Domestic Service
in Chinese 1223 GMT 5 Apr 92

[By XINHUA reporter Fang Zhengjun (2455 2398 6511) and HUBEI RIBAO reporter Lei Gang (7191 0474)]

[Text] Wuhan, 5 April (XINHUA)—Li Xiannian, chairman of the National Committee of the Chinese People's Political Consultative Conference, recently asked Deputy Qi Lin, chairman of Hubei Provincial Planning Commission attending the recent Fifth Session of the Seventh National People's Congress in Beijing, to deliver the following message to the Hubei provincial party committee and provincial government: They must help make the Changjiang Three Gorges Project a success.

Li Xiannian said that Hubei Province should make good use of the opportunity offered by the construction of the Three Gorges project, do a good job in completing supporting projects for the Three Gorges project, provide services for the project, and invigorate Hubei's economy.

The Hubei delegation asked Deputy Qi Lin to call on Chairman Li Xiannian. Qi Lin briefed Chairman Li Xiannian on the work arrangements and work priorities made by the provincial planning commission and the leading group for the work in the early stages of the Three Gorges Project in Hubei Province designed to welcome and provide services to the project.

Resolution Adopted

*OW0304211592 Beijing XINHUA Domestic Service
in Chinese 1052 GMT 3 Apr 92*

[Resolution of the Fifth Session of the Seventh National People's Congress on building the Sanxia project on the Chang Jiang—adopted on 3 April]

[Text] Beijing, 3 April (XINHUA)—The Fifth Session of the Seventh National People's Congress [NPC] deliberated the motion—submitted by the State Council for deliberation—on building the Sanxia project on the Chang Jiang. In accordance with the report of examination of the NPC's Financial and Economic Committee, the session has decided to approve the project's inclusion in the 10-Year Program for National Economic and Social Development. The State Council will choose an appropriate time to launch the project in light of the actual situation in economic development and to the extent allowed by the state's financial and material resources. Efforts should be made to continue to study and seek proper solutions to problems already uncovered.

Minister Says To Begin by Decade's End

*HK0404060192 Hong Kong AFP in English
0545 GMT 4 April 92*

[Text] Beijing, April 4 (AFP)—Chinese Water Resources Minister Yang Zhenhuai left little hope for opponents of the Three Gorges dam on Saturday by saying that work on the controversial project will begin by the end of the decade.

"The National People's Congress (NPC) has passed a resolution to construct the Three Gorges dam and to list it in the 10-year national economic and social development program," the minister said.

"That means that in some year in the 1990s the project will be formally launched," Yang told a news conference the morning after the NPC, or parliament, voted to approve the project.

The approval came with nearly a third of NPC deputies casting opposing votes or abstaining from a resolution on the dam. Two delegates even stormed out of the Great Hall of the People to protest what they said was the authorities' refusal to allow dam opponents a full hearing.

"Even though the resolution is passed, it doesn't mean that the construction work will start right away. There's still a long time left," Yang said.

"In the preparatory work and even during the construction all suggestions and opinions from different parties will all be treated earnestly and respected," the minister pledged.

The NPC resolution empowers the cabinet to choose the "appropriate time" to begin the dam construction.

The minister said the exact date for launching the work depended on the completion of a final design and a scheme to relocate more than one million people from riverside areas to be inundated by the dam's reservoir.

"Population relocation remains the biggest problem," Yang said.

He indicated that preparatory work on the 10.4 billion dollar was well under way and announced that the State Council, or cabinet, was forming a "leading group" to direct work and raise funds. [sentence as received]

Construction bonds for the dam will be issued "very fast" after the leading group is formed, the minister said.

China needs to raise just over half the cost of the dam from bond issues and other financial sources, with the rest coming from revenues the dam generates when it begins producing electricity halfway through its 18-year construction period.

After a debate dating back to the 1950s, the government pushed the Three Gorges project through parliament on its flood control merits after last year's disastrous flooding in eastern and central China.

The dam is intended to provide flood control and much-needed power for the middle and lower reaches of the Yangtze River and spur development in a large inland region.

The dam's opponents argue that the project will be too costly for the country and will not only require the relocation of too many people but destroy the local environment and cultural relics.

The minister said China would seek foreign assistance for both financing and technology, including know-how on the construction of a giant ship lift and what will be the world's most powerful hydroelectric generators.

"China has the ability to build a big dam," he said. "But along with reform and opening to the outside world, we want the world's most advanced technology and equipment for the Three Gorges dam."

"This is not only a huge project for our country, but for the world," he said.

Daily's Editorial Lauds Project

*OW0504204592 Beijing XINHUA Domestic Service
in Chinese 1603 GMT 5 Apr 92*

["Full text" of 6 April RENMIN RIBAO editorial: "Congratulations on the Inclusion of the Three Gorges Project in the 10-Year Program"]

[Text] Beijing, 5 April (XINHUA)—On 3 April in 1992 A.D., the Fifth Session of the Seventh National People's Congress of China adopted a historic decision to include the Three Gorges Project into the 10-Year Program for National Economic and Social Development and

empower the State Council to implement it at an appropriate time in light of the actual conditions of national economy and the country's financial and material resources.

Hence, the work of planning and appraising the Three Gorges Project, which spans a period of nearly four decades, has yielded fruitful results; and the largest water conservancy project in Chinese history has entered the stage of concrete implementation. This good news, needless to say, means tremendous encouragement to the 1.1 billion Chinese people who are deepening reform, opening the country wider to the outside world, and accelerating construction. It also means a resounding spring thunder to Overseas Chinese and people of Chinese ancestry abroad, who have always concerned themselves with the destiny of the Chinese nation.

To build a dam on the Three Gorges has been a long-cherished dream of Chinese people for several generations. It has been 73 years since Dr. Sun Yat-sen proposed the construction of a "sluice dike" on the Three Gorges in his "Plans for National Reconstruction and Industrialization" in 1919. Nearly four decades of appraisal have elapsed since Mao Zedong proposed in 1953: Why do we not hold the water at the Three Gorges instead of spending a great deal of resources on building a tributary dike, which is still incapable of controlling flood waters? In an eruption of passion, Mao Zedong composed the following poem, which crystallizes the Chinese people's beautiful dream: Walls of stone will stand upstream to the west

To hold back Wushan's clouds and rain
Till a smooth lake rises in the narrow gorges.
The mountain goddess if she is still there
Will marvel at a world so changed.

Today, through reform and opening up, China's comprehensive national strength has been conspicuously enhanced and the people's living standards have been improved markedly. With superior science and technology, social stability and unity, and heightened spirits among the masses, it is an appropriate time to carry out the construction project on the Three Gorges. We are proud to say that this gigantic project, long awaited by the Chinese people of several generations, will begin to materialize from our current generation.

The Three Gorges Project is a pivotal project among the many comprehensive measures for eliminating the serious flood threat in the middle and lower reaches of the Chang Jiang. It is a cross-century strategic project having a vital bearing on the national economy and people's livelihood. After the project is completed, flood prevention standards in the Jing Jiang section on the Chang Jiang will be raised from the present 10 years to 100 years per incidence. With other supporting measures, the project can prevent catastrophic disasters in the Jing Jiang section and reduce the threat of floods to the Wuhan area and the lower reaches. After the project is completed, it will have an annual generating capacity of 84 billion kwh [kilowatt-hours], one-eighth of China's

current total annual power output, and will provide an important energy source for economic development in eastern and central China and eastern Sichuan. It will also greatly broaden the passage capacity of the Chang Jiang navigational channel in Sichuan and enable 10,000-tonne tugs to directly reach Chongqing within six months, thus creating the conditions for developing the southwestern regional economy and prospering the Chang Jiang's undertakings in shipping. Moreover, it will help supply water to cities and towns in the middle and lower reaches of the Chang Jiang and divert water in the south to the north. The Three Gorges Project is crucial for accelerating the pace of China's four modernizations, enhancing its comprehensive national strength, and building up its stamina for future development in the 21st century. The implementation of the project will further reveal the Chinese people's tremendous cohesive power as well as the strong vitality of socialism. Therefore, the construction of the project is of important and far-reaching significance both politically and economically.

The verdict on the Three Gorges Project represents a model example of making policy decisions in a scientific and democratic manner in China. The party Central Committee and the State Council have always adopted an active and yet prudent approach toward the project. Since the 1950's, large numbers of Chinese scientists and technicians have conducted voluminous surveys, designs, studies, and experiments. From the Nanning Conference in 1958 to the Chengdu Conference, Mao Zedong and Zhou Enlai personally presided over the appraisal of the project and mapped out the suggestion for a key water conservancy project on the Three Gorges and the planning of the Chang Jiang river basin. In 1986, the former Ministry of Water Resources and Electric Power organized 412 experts from all over the country to conduct appraisals on 14 special subjects, while the State Commission for Science and Technology organized more than 3,200 scientists and technicians from some 300 units across the country to tackle key scientific and technical problems. On the basis of all these, a feasibility study report on the Three Gorges Project was rewritten. In 1990, the State Council inaugurated the Committee for Reviewing the Three Gorges Project and appointed 163 experts from various fields to examine the feasibility study report, which was approved by the State Council's executive meeting last January. The scale, time, and depth of study and appraisal for the project during the preliminary stage are rarely seen at home and abroad. Through four decades of around-the-clock painstaking and valiant efforts, several generations of engineers and technicians took part in surveying, designing, and studying, and completed a great deal of preparations for the implementation of the project. Imbued with a strong sense of responsibility toward the country and people, experts of various fields participating in the appraisal strictly examined the project regardless of whether they supported, had misgivings about, or disapproved of the project. Relevant departments, local governments, and

personages from various circles offered many suggestions and opinions from different angles, thereby playing a very important role in increasing the depth and perfecting the results of appraisal. We express our profound gratitude for their diligent labor and contributions.

The Three Gorges Project has attracted worldwide attention. Foreign friends describe the project as China's "dynamic challenge against poverty" and "epic undertaking to harness the river." To turn the project into the world's top-rated construction project is the common responsibility of the entire party and the people of all nationalities throughout the country. A project of vital and lasting importance calls for good quality above everything else. We hope that the relevant departments will promote the Three Gorges Project in an innovative spirit, adhere to the road of building key construction projects with Chinese characteristics, establish a highly authoritative and efficient commanding organ, organize a tough contingent of strictly disciplined workers and staff, and make meticulous efforts at organization, designing, construction, and management in continuing to do a good job in work of various fields in the preliminary stage. The relevant departments should persist in the principle of relocating people to places for developmental undertakings in ensuring a good job of resettlement. They should continue to welcome and listen to opinions from various circles with an open mind, and should continue to study and handle properly problems already uncovered. We hope that all local governments and departments across the country will take national interests into account, regard the Three Gorges construction project as their sacred task, and render whatever assistance they can. We also hope that people throughout the country, compatriots in Taiwan, Hong Kong, and Macao, and Overseas Chinese will make contributions of all kinds to the Three Gorges Project.

The people of the entire country will work with one heart and one mind, pool the wisdom of everyone, and make persevering efforts to successfully carry out, with top quality, the project which can benefit the current and future generations.

Reportage Views Activities of PLA Delegates

Chi Haotian Stresses Army Quality

HK0304151492 Beijing ZHONGGUO XINWEN SHE
in Chinese 1244 GMT 29 Mar 92

[By reporter Zhang Rongzhou (1728 2837 3166)]

[Text] Beijing, 29 Mar (ZHONGGUO XINWEN SHE)—In an exclusive interview with this reporter during the Fifth Session of the Seventh National People's Congress, Chi Haotian, People's Liberation Army (PLA) General Chief of Staff, said: While the passage devoted to the building of the Armed Forces as spelled out in the "Government Work Report" may not be lengthy, it is nevertheless of tremendous significance. The Army has

to adapt to the popular trend in the building of armies around the world by carrying out a policy of stressing quality and taking a uniquely Chinese road in the building of quality troops.

He pointed out: In stressing quality in the building of troops, the most fundamental and most important thing is to comply with the general demand outlined by Chairman Jiang Zemin of the Central Military Commission: "Political competence, military toughness, fine work style, strict discipline, and strong support capability" build the PLA into a strong armed unit which will ensure a safe and stable environment for the country's economic construction as well as reform and opening up. Whatever changes may take place in the environment, the Army's goal of serving the people wholeheartedly should remain unchanged, while the principle of the party's absolute leadership over the Army should not waver.

General Chief of Staff Chi went on: Military training and administration are the main features of military work as well as the focal points in the building of quality troops. The principal features in the modernization of the Army are upgrading equipment and improving structures. In stressing the building of quality troops, the reorganization of the structure and development of equipment should follow the dictum of "quality troops, composition, and efficiency" so that they can adapt more to the needs of modern warfare and to the responsibilities of an army. As the workstyle of an army is directly related to its fighting power and cohesiveness, an army of high quality has to have strict discipline. The upgrading of all aspects of support capability should also be underlined so that it can cope with the needs of modern warfare.

Chi Haotian also pointed out that the country presently enjoys political, economic and social stability, while the opportune development of external relations has improved the international environment. We have received many foreign friends who all spoke highly and appreciatively of China's accomplishments. He went on: Without a strong sense of national defense and of concern for the welfare of the nation, the survival and development of a country and a nation will inevitably be plagued by real and potential threats. As the saying goes: "He who is aware of danger is out of danger. He who is unaware of danger is in danger." Given the complexities in the international situation, it is extremely important to bolster a sense of national defense, a sense of the country's basic interests, and a sense of the nation's survival and growth.

Chi Haotian solemnly noted: The fundamental function of the Chinese PLA is to consolidate the national defense, resist aggression, defend the motherland, and safeguard the peaceful labor of the people. By raising appropriately as well as slightly our military expenditure, the Chinese Government is definitely not engaged in any "arms expansion." Given our country's vast territory and long frontier and coastline, the Army's efforts to protect the country's economic construction and reform

and opening have to be backed up by the most minimal addition to the national defense budget. It is general knowledge that in per capita terms, our country's national defense budget ranks very low in the world. It is also minimal when compared with the defense budget of some of our neighboring states and regions. Quite obviously, a slight budgetary increment becomes insignificant when put alongside the soaring costs of modern weapons and equipment, the rising needs for their applications, and increasingly complicated repair and maintenance work. The call for our Army to stress quality and take a uniquely Chinese road in building quality troops was raised in view of the conditions in our country and our Army. Naturally, regardless of the difficulties that may confront us, the People's Army has fulfilled and will always unswervingly fulfill its sacred task to defend the motherland and oppose separatism.

Chi Haotian also stressed: Frontier and coastal defense serve as a gateway to the opening up as well as exchanges with the outside world. The Army should actively support the opening to the outside world, and under the unified leadership of local party and state departments, it should strengthen joint defense among the Army, police and militia, step up the overall resultant force, prevent and crack down on infiltration and sabotage activities as well as unlawful and criminal activities, and put an end to illegal border crossing incidents. The forces of society should be fully mobilized and political, economic, military, administrative, and legal means adopted comprehensively in order to control frontier and coastal defense effectively and ensure the smooth progress of the country's reform and opening up.

Urges Bold Army Work Explorations

HK0604085292 Beijing JIEFANGJUN BAO
in Chinese 25 Mar 92 p 1

[By Dong Xiangqi (5516 4382 6386): "At Group Discussion, Military NPC Delegate Chi Haotian Calls for Bold Explorations in Military Work"]

[Text] Beijing, 24 March—At the group discussion of the People's Liberation Army delegation held this afternoon, the military NPC [National People's Congress] delegate Chi Haotian said: In the new situation, our armed forces should firmly implement the party's basic line, carry out the spirit of reform down to the work in all fields of army building, stress the main and crucial points, boldly conduct explorations, actively open up new situations, blaze new trails in and further develop military work, and continuously enhance troops' combat capability.

Delegate Chi Haotian maintained: "The Government Work Report" delivered by Premier Li Peng, which is concise, comprehensive, and highly distinctive, embodies quite comprehensively Comrade Deng Xiaoping's thinking on building socialism with Chinese characteristics. As the chief architect of building socialism with Chinese characteristics and the leader [ling lu ren 7325 6424 0086] of China's reform and opening up to

the outside world, with great foresight and outstanding ability, Comrade Deng Xiaoping always points out direction for China's reform and development at a critical moment. The comprehensive and accurate implementation of Comrade Deng Xiaoping's important ideas in the government work report will enable us to continue to forge ahead along the socialist road with Chinese characteristics in the new historical conditions, have a more definite orientation and firmer conviction, and score more outstanding achievements.

With deep feelings, Chi Haotian reviewed the past events since the end of spring and the beginning of summer in 1989. In an extremely grim domestic situation, thanks to the correct leadership of the party Central Committee with Comrade Jiang Zemin as the core, adherence to the basic line of "one center, two basic points," we have managed to successfully pull through the difficult times, thus creating a fine situation characterized by political, economic, and social stability. Practice has proved that the party Central Committee with Jiang Zemin as the core is a powerful leading group which unswervingly implements the line and a series of principles and policies initiated by Comrade Deng Xiaoping since the Third Plenary Session of the 11th CPC Central Committee and conscientiously applies the stand, viewpoint, and method of Marxism-Leninism-Mao Zedong Thought in properly handling major domestic and foreign affairs. We should closely rally around the party Central Committee with Jiang Zemin as the core, brace up and keep forging ahead, work hard, and greet the successful convention of the party's 14th National Congress with outstanding achievements in reform and construction.

Chi Haotian said: In the new situation, our armed forces should firmly implement the party's basic line and actively support the state's economic construction as well as reform and opening up to the outside world in concrete action. Our Army's basic task in the new situation is to create a safe and stable environment for the state's economic construction and as well as reform and opening up to the outside world. The party Central Committee with Comrade Jiang Zemin as the core and the Central Military Commission have attached great importance and given a great deal of attention to army building. For this year's military work, we should earnestly implement the policy of stressing quality building in accordance with the general requirement of "being politically qualified, militarily competent, sound in work style, strict in discipline, and efficient in support sectors," a requirement set by Central Military Commission Chairman Jiang Zemin, and pay close attention to reorganization and streamlining, training and management, and the key development areas in troop building and coastal defense. In doing military work, we should also implement the spirit of bold experimentation and trail-blazing, stress the main and crucial points, boldly conduct explorations, actively open up new situations. Only in this way can we blaze new trails in and further develop military work, continuously enhance troops' combat

capability, satisfactorily fulfill the tasks such as safeguarding national security and social stability, and defend and support the state's economic construction as well as reform and opening up to the outside world in concrete action.

Improving leadership style and eliminating formalism are problems which should be resolved satisfactorily in doing a good job of military work. In terms of the current troop situation, one very important thing to do in improving leadership style is that the subordinates should call a spade a spade and the higher-ups should do solid things. Currently, the phenomena of paying lip service, practicing fraud, and reporting only the good news and not the bad can still be found in some units. If this practice is not checked, it will entail untold troubles. As such, it is still necessary to stress seeking truth from facts. Leading bodies at all levels of the troops should exert more efforts to implement policies and help their subordinates solve practical problems. As far as conditions for material and cultural life are concerned, at present there is a certain contrast between military and local units, between military leading bodies and grass-roots units, and between military units stationed in rich coastal areas and those in remote areas where conditions are hard. To narrow and change this contrast, it is necessary to rely on the improvement of material and cultural conditions of our entire society and our own subjective efforts to do more work. Therefore, we should implement special policies, rules and regulations, and measures among grass-roots units and military units stationed in highland and the front border and coastal defense areas and those stationed in remote areas where conditions are hard.

On the issue of people's armed forces building, Chi Haotian suggested stressing: 1) the enhancement of the entire nation's sense of national defense; 2) the better building of national defense reserve forces; 3) the better joint defense by army, police, and militia under the unified leadership of local party committees and governments and a better job of border and sea defense management; and 4) the protection of military facilities in accordance with the law.

Defense Minister Urges Reform

HK0604054592 Beijing JIEFANGJUN BAO
in Chinese 24 Mar 92 p 1

[By reporter Yang Xuequan (2799 1331 3123): "At a Group Discussion, Qin Jiwei, Military Delegate to National People's Congress, Says Key to Speeding Up Pace of Reform and Opening Up Lies in Policy Implementation"]

[Text] Beijing, 23 Mar—At a group discussion of the Liberation Army's delegation this morning, [National Defense Minister] Qin Jiwei, military National People's Congress deputy, said that, like fighting a battle, it is necessary to seize a favorable opportunity in deepening

reform and widening the scope of opening up, adding that the key lies in the firm implementation of policies.

Qin Jiwei said: Li Peng's government work report is concise, to the point, and practical; it is a good report which boosts our morale. The report permeates the main line of firmly implementing the party's basic line, seizing the present favorable opportunity, speeding up the pace of reform and opening up, and concentrating on economic construction.

Qin Jiwei said with deep feeling: The basic line of "one center, two basic points" laid down by the Third Plenary Session of the 11th CPC Central Committee has been proved completely correct by the practice over the last more than 10 years. What the country and the people have today is the result of the implementation of this basic line. From now on, we will more consciously implement this basic line which makes the country and the people prosperous. The demand for this line to remain unchanged for 100 years expresses the people's wish.

Qin Jiwei added: It is very important and crucial to seize firmly this favorable opportunity and to be good at doing so. The party Central Committee and Chairman Mao had many successful experiences during war years. For example, during the Red Army period, they took advantage of the favorable opportunity of the war between Kuomintang warlords to develop the Red Army; in the initial period of the war of resistance against Japanese aggression, they took advantage of the Kuomintang troop withdrawal from the north to the south to call on our troops to march to the enemies' rear, to mobilize the masses, and to expand the people's forces. After crushing the "gang of four," Comrade Deng Xiaoping seized the then favorable domestic and international situation to propose the central task of economic construction and to introduce reform and opening up. Our economy developed to a new stage in less than 10 years.

Qin Jiwei pointed out: The present domestic and international situation is quite favorable to our economic development. We have the party's basic line as our guidance, the practice of 10-odd years' reform as our foundation, and the experiences of special economic zones to refer to. For the last three years, under the leadership of the party Central Committee with Comrade Jiang Zemin as the core, China has witnessed political stability, social tranquility, and economic development. Particularly now, when the world is experiencing an economic depression, China can still maintain a comparatively high development rate. Internationally, China's friendly relations with the surrounding countries have further developed, its relations with Western nations are improving, and its international position is rising. All this shows that we are in a favorable situation. This favorable opportunity should not be missed. The key to seizing this favorable opportunity lies in implementing policies. In implementing policies, first, we should further enhance our understanding, emancipate our minds, improve our consciousness in reform and

opening up, have a clear idea of the three criteria for judging whether what we are doing is of a socialist or capitalist nature, and find what we did not do with a free mind in the past and why we did not do that way. Second, we should proceed from reality, integrate subjective and objective conditions, have both lofty ideals and a down-to-earth and effective way of doing things, and bring about a sustained, steady, and coordinated development. Third, leaders and organs at all levels should further change their style, overcome formalism and bureaucratism, and improve their work efficiency to cope with the new situation of reform and opening up.

Qin Jiwei also aired his views on how the armed forces should play a bigger role and make greater contributions in reform and opening up. He said: As a strong pillar of the people's dictatorship, the armed forces undertake a special mission in reform and opening up. The armed forces should clearly understand their glorious missions, improve their consciousness in implementing the party's basic line, and support and safeguard reform and opening up with their actual deeds. In the meantime, they should do a good job in reforming themselves, in strengthening their military and administrative training, in enhancing their combat effectiveness, and in fulfilling all tasks assigned by the party Central Committee and the Central Military Commission.

Circular Urges Relaying Guidelines

OW0504022392 Beijing XINHUA Domestic Service
in Chinese 0554 GMT 4 Apr 92

[Text] Beijing, 4 April (XINHUA)—The People's Liberation Army [PLA] General Political Department yesterday issued a circular to the entire army urging all servicemen to earnestly relay and study the guidelines of the 5th Session of the 7th National People's Congress [NPC].

The circular said: The 5th Session of the 7th NPC was held in a crucial period when international conditions have been changing and China's reform and development have been encountering new opportunities. The NPC session has not only specified the forward direction for China's reform and development as well as the objectives of its struggle, but has also shown to the whole world our grand blueprint for and unwavering resolution in building socialism with Chinese characteristics. To earnestly relay and study guidelines of the 5th Session of the 7th NPC is of paramount significance for educating and guiding the broad masses of cadres and fighters throughout the army to better understand the very favorable conditions for China's reform and development; for supporting major resolutions of the party and the state; for supporting, participating in, and safeguarding reform and openness; and for expediting improvement in our army's quality.

The circular also pointed out: When relaying and studying guidelines of the 5th Session of the 7th NPC, we should pay close attention to the central topic of accelerating the pace of reform, openness, and economic

development; should regard as a main theme the guidelines laid down in Comrade Deng Xiaoping's important speech during his inspection in south China; and should also pay attention to linking the above requirements with the ongoing study and teaching of party history. While relaying and studying the NPC guidelines, the army should specifically study Premier Li Peng's Government Work Report and closely combine ideology with the army's actual conditions to resolve, in particular, the following four issues: First, it is necessary to correctly understand the session's basic evaluation and scientific analysis of the enormous accomplishments achieved through reform and openness, and further deepen understanding in upholding the party's basic line for a long time to resolutely advance along the path of socialism with Chinese characteristics. Second, it is necessary to specify—as formulated by the NPC session—objectives and tasks for China's reform and development; to enable everyone to soberly recognize existing favorable opportunities and conditions; and to strengthen everyone's sense of urgency and responsibility to strive to complete this historic task. Third, we should pay attention to studying various laws, deliberated and adopted by the NPC session; should fully understand the extreme importance in strengthening socialist democracy and the legal system construction; and should uphold and implement the policy of "paying attention to both rectification and economic progress and setting high demands on both counts." Fourth, we should fully understand the army's important historic responsibility in the course of implementing and safeguarding the party's basic line as well as in supporting, participating in, and safeguarding reform and openness; should be more conscientiously subordinate to, and serve the national economic construction as a whole; should strive to accomplish assigned tasks; and should continually enhance our own reform and construction in the army.

The circular urged: While relaying and studying the NPC guidelines, the army should specifically stress study by cadres of party committees and organs at and above regimental level, should ensure that the latter will allot relatively specific time to study and discuss special topics, and should ensure that the latter also applies what they have learned from their own studies to guide studies of the NPC guidelines in the army. Relaying and study of the NPC guidelines among cadres and fighters at and below battalion level will be mainly lectured and guided by leaders at and above regimental level. Under the leadership of the CPC Central Committee with Comrade Jiang Zemin as the nucleus, as well as the Central Military Commission, we should mobilize and organize all PLA comrades to create—through concrete actions in studying and implementing the NPC guidelines—a new situation of reform and construction in the army to be presented as a gift to the upcoming 14th CPC National Congress.

Logistics Chief Urges Army-Building

HK0604100792 Beijing JIEFANGJUN BAO
in Chinese 26 Mar 92 p 1

[By He Delai (0149 1795 0171): "At Group Discussion, Zhao Nanqi, Military Delegate to National People's

Congress, Urges Army Building Through Hard Struggle and Thrift"

[Text] Beijing, 25 March—At a group discussion about the Government Work Report this afternoon, military NPC [National People's Congress] deputy Zhao Nanqi stressed: Expediting reform, opening up, and economic development is a major matter of the country. The armed forces should continue to implement Comrade Deng Xiaoping's important instructions on armed forces building in the new period, cater to this overall need, understand the country's difficulties, carry forward the spirit of endurance, build the armed forces through hard struggle, and make due contributions to ensuring the smooth carrying out of economic construction.

Zhao Nanqi said: I have been deputy for three NPC terms. I agree with Premier Li Peng's Government Work Report and am satisfied with the current government's work. The party Central Committee with Comrade Jiang Zemin as the core and the State Council have led the people throughout the country in overcoming many difficulties and carrying out effective work. Noteworthy achievements have also been made in economic construction and socialist spiritual civilization. It has not been easy for such a big country like ours to maintain political stability, social tranquility, and economic development and to improve the people's standard of living. This was particularly uneasy last year when difficulties and changes occurred in the country and abroad. The present situation is better than expected. The Chinese market is thriving, there are lots of commodities, and the people are content. In our socialist economy, a fine situation has emerged for economic construction as a result of implementing the policy of "sustained, steady, and coordinated" development, paying attention to the overall situation, and maintaining a development stamina. China has always pursued an independent and peaceful foreign policy. It opened up a new situation in last year's diplomatic work. It has made further progress in maintaining good-neighborly and friendly relations with the surrounding nations. All these serve as favorable conditions for expediting reform and opening up and for developing the country's economy to a new stage.

On military economic work, Zhao Nanqi pointed out: In military economic work, we should take the overall interests into account, should subordinate ourselves to and serve the overall situation of the country's economic construction, and should coordinate all the activities of the nation like pieces in a chess game. Developing the country's economic construction is where the interests of the country, the people, and the armed forces lie. To maintain this overall situation, the armed forces should continue to display their spirit of endurance, live a frugal life, carry out armed forces building through hard struggle and thrift, spend less money, and do more work. The state needs a lot of fund for economic construction and the allocation for our military spending is limited. We should use this limited fund for the most important and urgent projects and for improving the armed forces' combat effectiveness.

Zhao Nanqi said: The armed forces should continue to exercise good management over production and open up new avenues for more income to make up their fund shortages. At present, military enterprises should carry out the necessary adjustments according to state policies, abide by state policies, laws, and regulations, and strive for faster development. Armed forces units should carry out agricultural and sideline production to provide subsistence means for themselves. While advocating a frugal life, we should also make efforts to improve our lives.

Zhao Nanqi added: In economic work, the armed forces should also improve their economic results through reform. A recently convened Political Bureau plenary session stressed the need to be bolder in reform and to be brave in blazing new trails and making experiments. This also applies to military economy work. Many links in logistics work which do not conform with the development of the new situation should be reformed. There is still much potential to tap. Reform will help emancipate the productive forces and produce better military economic results.

Delegate Urges Army To Support Reform

HK0604052692 Beijing JIEFANGJUN BAO
in Chinese 26 Mar 92 p 1

[By Zhang Chi (1728 1716): "At Group Discussion, Liu Huaqing, Military National People's Congress Delegate, Urges Supporting, Protecting Reform and Opening Up, Accelerating Army Quality Building"]

[Text] Beijing, 25 Mar (JIEFANGJUN BAO)—At a group discussion this afternoon, Liu Huaqing, military delegate to the National People's Congress [NPC], pointed out that the Army must completely and accurately understand Comrade Deng Xiaoping's theory on building socialism with distinctive Chinese characteristics, resolutely implement the party's basic line, and take an active part in, support, and protect reform and opening up. It must seize the current opportune time to accelerate its quality building.

Delegate Liu Huaqing said: Under the guidance of Comrade Deng Xiaoping's theory on building socialism with distinctive Chinese characteristics, the main subject for discussion at the current session is distinct and the key points are clear. Premier Li Peng's "Government Work Report" fully reflects the spirit of expanding reform and opening up and the common aspiration of the people throughout the country. I am fully in favor of it.

He continued: Comrade Deng Xiaoping's theory on building socialism with distinctive Chinese characteristics is an outcome of integrating the universal truth of Marxism with the practice of China's socialist modernization drive and a great creation of our party under new historical conditions. It reflects the wisdom of the whole party, scientifically sums up our party's positive and negative experiences in leading socialist construction, and brings about great vigor and vitality to China's socialist cause. The great practice of reform and opening

up over the past 13 years fully proves that the theory of building socialism with distinctive Chinese characteristics is a great banner guiding us to achieve the victory of socialist construction in the new historical period and an ideological basis for us to unify understanding, strengthen unity, and increase fighting capacity in the complicated struggles. We must conscientiously study this theory, gain a complete and accurate understanding of its guideline and essence, and make effective efforts to educate the Army well and increase its consciousness level in implementing the party's basic line.

Talking about the question of "leftist" and rightist deviations, Liu Huaqing emphasized that it is necessary to guard against rightism, but the main task is to prevent "leftism." Since the founding of the state, we have suffered many times from "leftist" mistakes and wasted much valuable time. We must always bear in mind these lessons and resolutely and unswervingly implement the party's basic line of "one center, two basic points," without vacillation for 100 years. At present, we must further emancipate the minds; adhere to the ideological line of proceeding from the reality in all cases and seeking truth from facts; and seize the opportune time to boldly push forward reform and opening up. We must strive to promote our comprehensive national strength to a new and higher stage through several years' efforts. Only when economic construction is promoted can we build up a profound material base for our socialist system and can there be a reliable material guarantee for our Army building.

Liu Huaqing pointed out: The Army must firmly and resolutely support and protect reform and opening up and play a greater role in the crucial period of socialist construction. He said: Our Army is always an armed group for implementing the party's political line. The party and the people have placed high hopes in the Army. No matter how the Army is renewed and regenerated, it should absolutely be subordinated to the party leadership and protect the socialist system and should never let the party and the people down. In the face of the complicated international environment, our Army must effectively carry out its functions; safeguard our country's territorial integrity, sovereignty, seas, and oceans; maintain the unity and social stability of our motherland; and create a safe and stable environment for economic construction, reform, and opening up, to ensure the long-term tranquillity of our country. He said: In the final analysis, the national defense strength is decided by a country's economic strength. Only when a country is rich can its army be powerful. The Army must take the overall situation into consideration and make allowances for the state's difficulties. It must correctly handle the relations between national defense construction and economic construction and must be more conscientiously subordinated to and serve the overall situation of national economic construction. It must continue to implement the policy of building up the Army through thrift and hard work and do more things with less money. It must take an active part in and

support the state's economic construction on the premise of fulfilling its war preparedness and military training tasks.

Li Huaqing urged the Army to seize the current opportune time to accelerate the Army's quality building. He said: Over the past 10 years or more, we have implemented Comrade Deng Xiaoping's theory and a series of principles and policies on Army building in the new period and realized a strategic change in the guiding ideology for Army building. We have effectively carried out a series of reforms to reorganize and streamline the structure of the Army and have achieved great successes in Army building. To sum up, through our efforts over the past years, we have found a road of building up a regularized modern revolutionary Army with distinctive Chinese characteristics. The practice of our Army building proves that this road conforms to our national situation and Army situation. It reflects the objective law of peacetime Army building. At present, and in a period to come, the main tasks are to further strengthen the Army's quality building, actively and steadily carry out readjustment and reform, and take the road of building up picked troops with Chinese characteristics.

Liu Huaqing stressed that we must regard strengthening the Army's quality building as a strategic matter and a long-term guiding policy for our Army building in the future. It means to increase the Army's comprehensive fighting capacity in accordance with the demands of making the Army politically qualified with a perfect mastery of operational technique, a good work style, strict discipline, and effectiveness in safeguarding the motherland.

On the question of how to strengthen our Army's quality building, Liu Huaqing said: First, it is necessary to vigorously strengthen the Army's political construction, continuously carry out education in the party's basic line and other routine ideological work, do a good job in strengthening the leading bodies and party organizations at various levels, and ensure the party's absolute leadership over the Army and a high degree of centralism, unity, and stability of the Army. Second, it is necessary to increase the level of scientific research for national defense and expedite the pace of modernizing Army equipment. Third, it is necessary to optimize and simplify structure, scientifically organize groups, strengthen grass-roots units, overcome bureaucratism and formalism, and increase work efficiency. Fourth, it is necessary to do well in war preparedness and military training with the equipment now available. Fifth, it is necessary to adhere to the policy of running the Army in accordance with the law, strictly enforce decrees and regulations, and strengthen management of the Army units. Sixth, it is necessary to promote building of the grass-roots units in a down-to-earth manner and lay a solid foundation for Army building.

In conclusion Liu Huaqing said: We must put emphasis on strengthening unity now more than ever before. We must strengthen the unity between officers and soldiers,

the unity between the Army and the people, and the unity of all nationalities throughout the country. We must make vigorous efforts with one heart and one mind to make our country prosperous and strive for a greater victory under the leadership of the party Central Committee with Comrade Jiang Zemin as the nucleus.

Deputies Discuss Li's Work Report

*HK0604053692 Beijing JIEFANGJUN BAO
in Chinese 25 Mar 92 p 1*

[By reporters Fan Jianghui (5400 3068 2037), Li Yin (2621 0692): "People's Liberation Army (PLA) NPC Delegation Holds First Plenary Session to Deliberate Reports by Li Peng and Zou Jiahua, Wang Bingqian"]

[Text] Beijing, 24 Mar (JIEFANGJUN BAO)—This morning, the People's Liberation Army [PLA] delegation to the NPC held its first plenary session to deliberate the "Government Work Report" given by Premier Li Peng and two other reports given by Zou Jiahua and Wang Bingqian.

Delegation head Liu Huaqing presided over today's meeting. Over 250 deputies, including vice delegation head Yang Baibing, participated. Ten deputies spoke at today's meeting.

During the deliberation on the three reports, the meeting's atmosphere was lively and deputies spoke actively. Deputy Liu Mingpu was the first to speak, saying: The party's basic line of "one center, two basic points" runs through the entire "Government Work Report." Although it is short, the report makes the key points stand out and appears to have something fresh and new. He said: The report states that "the Armed Forces should further emphasize quality and develop in such a way that they will become quality troops with Chinese characteristics." This is a demand on the Armed Forces. As a member on the rear-service front, I will actively promote the reform and development of the rear-service front and contribute to the PLA's modernization. Moreover, I will work with people across the country to write a new chapter for making the country and the people rich and strengthening the troops.

Deputies Chen Xianhua, Chi Yuxiu, and Lian Yaoting said in their speeches: Today, China is stable politically. Its society is stable and its economy is developing. This very good situation can be attributed to reform and opening up. Without reform and opening up, there would not have been such enormous changes. Therefore, it is necessary to seize the opportunity tightly; hold fast to economic development, which is the center; emancipate the mind; be braver; quicken our pace; courageously explore; work in a down-to-earth manner; and stress returns so that China's economy will be repeatedly upgraded over several years. Deputy Deng Jiatai expressed his opinions on some current problems including formalism, innumerable circulars and meetings, extravagance and waste, and advance expenditure [spending money before its allocated]. He held that the

state's financial budget is realistic and that it is necessary to carefully keep expenditures within the limits of income and maintain a balance between revenue and expenditure with a little surplus. Other deputies that spoke included He Li, Wang Qingtao, Lin Jigui, Kuai Wanzeng, and Wang Ju. Some forwarded suggestions on such questions as strengthening the propagation of military laws and regulations, making appropriate arrangements for the placement of handicapped servicemen, and adopting some preferential policies for factories where servicemen's dependents work.

Comrades in charge of the State Planning Commission, the Finance Ministry, and the Culture Ministry listened to the PLA deputies' speeches at the meeting.

Daily Omits Reference to Combatting Leftism

*HK0404061692 Hong Kong AFP in English
0547 GMT 4 April 92*

[Text] Beijing, April 4 (AFP)—The People's Daily [RENMIN RIBAO] called in an editorial Saturday for faster economic liberalisation but omitted reference to "leftist deviation" as its nemesis, in a tacit challenge to proponents of Deng Xiaoping's reforms.

Premier Li Peng, a conservative, had to include that phrase in his government work report before it was approved Friday by the National People's Congress (NPC), China's parliament, among more than 150 amendments pressed upon him.

In a front-page editorial titled "Struggle To Speed Up Economic Development," the orthodox Communist Party organ omitted reference to a paragraph forced upon Li warning "cadres at all levels ... against leftist deviations" as well as rightist tendencies.

The sole ideological reference in the editorial was to "criticism of bourgeois liberalism," a catchphrase for Western capitalist values.

In a factual report on the NPC, which ended its session Friday, the PEOPLE'S DAILY noted the changes to Li's work report.

But analysts said the omission of such a crucial passage—approved by the Politburo in early March and included in a report by the NPC—was extraordinary.

An editorial in the PEOPLE'S DAILY organ carries the weight of Communist Party dogma and must undergo rigorous vetting before publication.

Analysts here viewed the editorial as confirmation of a schism between reformers and orthodox Marxists. The latter category includes Gao Di, who was named editor of the PEOPLE'S DAILY after the 1989 Tiananmen crackdown and whom senior leader Deng now wants to sack.

CHINA DAILY Urges Economic Reform Action

HK0404030792 Beijing CHINA DAILY
in English 4 Apr 92 p 4

[CHINA DAILY commentary: "Time for Action"]

[Text] The country's parliament ended its annual session in Beijing yesterday by hammering out a strong consensus on "bolder and faster" reforms.

The 14-day session of the National People's Congress (NPC) also approved Premier Li Peng's government work report and passed resolutions on ratifying the law on protection of women and the trade unions law and on the Three Gorges Project on the Yangtze River.

But undoubtedly it is the deputies' firm commitment to and overwhelming endorsement for more drastic economic reforms that has endowed the session with special implications and far-reaching effects.

Deng Xiaoping's recent remarks on socialism and reform, and a statement made by the Communist Party's Political Bureau last month, persisted as the dominant topic both at the Congress's full sessions and its group discussions.

The NPC deputies have concluded that:

- Economic development should continue to remain the focal task of the country;
- Reforms and opening to the outside world offer the only way to lead China to modernization and prosperity;
- People's minds should be further emancipated and bolder measures should be adopted to accelerate the reform;
- While being vigilant against "rightist" interference, special attention should be paid to guarding against "leftist" interference.

These conclusions also find their expressions in a political resolution adopted by the Chinese People's Political Consultative Conference (CPPCC) which concluded its annual meeting last week.

All these indicate that the ideas advocated by Deng and the Party, have been transformed into a national consensus with strong backing from farmers, workers, soldiers, intellectuals, government officials and political figures.

More significantly, these conclusions have clarified some major theoretical issues related to the reform process.

Apart from throwing their weight behind more drastic reforms, NPC deputies, especially those from provincial and municipal governments, lost no opportunity to promote their own concrete reform initiatives either at press conferences or in private contacts with Central Government departments.

Just as 1979 and 1984 signalled the beginning of the first and second reform waves in China, 1992 certainly marks the start of the third wave.

Amidst this new surge of reforms, however, it is imperative to remain sober-minded and not to repeat past mistakes.

Boldness will only mean rashness if not built on rationality, and speed will lead to huge waste if not based on efficiency.

It also has to be realized that while the reform will ultimately bring benefits to all in the long run, it also requires short-term sacrifices from people from different localities and walks of life. This is especially true in the next phase of China's reforms, which is aimed at tackling such deep-rooted problems as adjusting the industrial structure, overhauling enterprise management systems and phasing out huge State subsidies on food, housing and medical care for urban residents.

The direction has been fixed and the course charted.

Now it is time for action.

Article Views 'Distinct Theme' of 'Leftism'

HK0504014292 Hong Kong TA KUNG PAO
in Chinese 3 Apr 92 p 2

["Special Article" by staff reporter Kung Shuang-yin (7255 7175 0603): "Guarding Against 'Leftism': A Distinct Theme—Written on the Eve of the Closing of the Two Sessions"]

[Text] Beijing, 2 April (TA KUNG PAO)—The Fifth Session of the Seventh NPC [National People's Congress] is about to close. The delegates to the sessions of and members of the NPC and Chinese People's Political Consultative Conference (CPPCC) National Committee have been in high spirits for the last 10 days and more, because the CPC Central Committee had relayed the speeches made by Deng Xiaoping during his southern tour, in the form of the No. 2 central document, before the two sessions were held. The speeches became the main theme and ran through the whole process of the two sessions, making them lively and making them achieve results.

Many NPC and CPPCC delegates and members said in their speeches: Deng Xiaoping's speeches were made at the crucial moment for China's socialist modernization construction. He put forward important guiding principles, which are extremely important and timely.

We Have Wasted Scores of Years in Making a Character Taboo

Some delegates said: The problem as to whether our policies are surnamed "capitalist" or "socialist" has hindered China's economic development for a long time

and become a serious obstacle for China's modernization construction and reform and opening. Wang Tindong, chairman of the Shanxi Provincial People's Congress Standing Committee, noted in his speech: "We have groped for a way out for scores of years. In developing agriculture, we have been afraid of the word 'household.' When the system of contracting output quotas to households with the production team conducting unified accounting was practiced, it was labeled as capitalist. In developing the industrial production, we have been shy of the word 'market.' Giving play to the market mechanism was regarded as practicing capitalism. Making a word taboo has actually wasted us several decades."

Chongqing Mayor Xiao Yang said: "In inland areas, many people make such a cognitive mistake: They mistake several things, such as the operational mechanism of the capitalist economy—which has some capitalist properties, though not essential ones, for capitalism. Apart from distinguishing between "capitalism" and "socialism" in terms of essence, they also differentiate between the two in terms of forms. This is a big shortcoming of our traditional education in socialist theories. This serious mistake has made us hesitate in drawing on successful experiences of Western countries in the course of building up and developing a socialist commodity economy."

Three Criteria for Determining "Capitalism" and "Socialism"

Some delegates said: Some people are still fettered by "leftist" ideology and approach problems in accordance with the traditional mode of thinking. The first thing they want to know about new things introduced in the economic restructuring is whether they are surnamed "capitalist" or "socialist" instead of whether they can help develop productive forces. Therefore we must mainly guard against "leftism" at present. What made many delegates feel relieved is that Deng Xiaoping has set "three criteria" for judging what is "capitalist" and what is "socialist;" that is, we must determine the nature of something mainly by finding out whether it is conducive to developing the social productive forces of our socialist society, to increasing our overall national strength, and to improving the people's living standards. Some delegates said: What deserves congratulation is that the three criteria have been written into the government work report. However, they faulted the report for not saying a single word about the need to guard against "leftism." Those responsible for revising the report have finally accepted the criticism and written the important opinion into the report.

In the course of reform and opening, only when we have solved the problem of whether our reform and open policies are surnamed "capitalist" or "socialist," can we free ourselves from outdated ideas and boldly assimilate and draw on all fine cultural achievements created by human society and advanced technologies, managerial skills, and administrative procedures that reflect the laws

governing the modern socialized production found in various countries in the present world, including developed Western countries.

What Matters Is Putting Set Policies Into Effect

During the discussions, many delegates stressed that now that we have defined the general guidelines, what matters is carrying them out to the letter. Hong Kong CPPCC member Xu Simin said: Everybody is shouting "Well done" now, saying the "guidelines will not be changed for 100 years," but has anybody soberly given a thought to the following problem: Have we worked out effective measures to guarantee that the guidelines will not be changed for 100 years and will the measures serving this purpose prove successful? At present, both those favoring and opposing opening are applauding; we cannot tell who are sincere and who are not. Some people interpret Deng Xiaoping's speeches from their own angles. He questioned: Is the state's existing leading body very sound? Need it be improved? We should be aware that some people on the mainland are bullheaded. They do not agree to keep the guidelines intact for 100 years. Such a struggle is brought about by deep-rooted concepts rather than one over power, as claimed by people in the outside world.

Many delegates demanded the government formulate a set of policies to guarantee Deng Xiaoping's instructions and reform and open policies will be implemented in full.

It Is Essential To Enact a Series of Laws

Some delegates and members said that it is necessary to enact a series of laws to guarantee the reform and open policies will not change for 100 years. A total of 30 NPC delegates including Tan Jingyang from Hunan suggested drawing up a "law on the contract responsibility system on a household basis with remuneration linked to output" as soon as possible. They said controversy over whether the system is surnamed "capitalist" or "socialist" occurs now and then. Those against the system said the system is "modus vivendi." In fact, some localities took over at random the land already allocated to peasants under the contract system on the excuse of "expanding the collective economy" or "regulating and changing the use of land" rather than "further stabilizing and improving" the system as required by the central authorities. Therefore, the peasants can never feel assured and this directly affects their enthusiasm for production.

Happily, the opinions of NPC delegates and CPPCC members received serious consideration. A passage was added to Li Peng's finalized government work report: "After the session, the State Council and governments at all levels should, in an earnest manner and in the pragmatic spirit, further study and formulate specific policies and effective measures to guarantee all tasks will be accomplished."

Commentary on Need To Perform Realistic Work

OW0404062492 Beijing Central People's Radio
Network in Mandarin 2230 GMT 3 Apr 92

[Station Commentary: "At This Moment We Should Do Realistic Work;" from the "News and Press Review" program]

[Text] After 15 days' hard work, over 2,700 deputies—entrusted by 1.1 billion people—have deliberated and approved a series of documents, including the Government Work Report. It was announced that the Fifth Session of the Seventh National People's Congress [NPC] closed victoriously.

The session was held under a favorable international environment and stable domestic political, economic, and social conditions.

The session has upheld the party's basic line characterized by "one center and two basic points," adopted general and specific policies, and made proposals and arrangements to perform well in various tasks on national economic and social development by seizing favorable opportunities. Just as the deputies said when they were shaking hands and bidding one another farewell: Now that the policies have been formulated and the timing is good, the key lies in implementing them.

Practice shows that building socialism with Chinese characteristics as spearheaded by Comrade Deng Xiaoping is absolutely correct. As long as the whole party and people of all nationalities throughout the nation—under the guidance of the party's basic line—further emancipate the mind, persist in proceeding from reality, and enhance in various aspects the cause of socialism with Chinese characteristics, then China will have peace and political stability for a long time, will make huge strides toward prosperity, and will increase in national strength.

To accelerate the pace of reform and openness was the most popular topic during this session. To perform well in reform and opening up to the outside world, we must dare to venture and break through various ideological restraints obstructing acceptance of new knowledge, new experience, and new things. We should boldly, unwaveringly, and resolutely perform tasks that have been formulated. While exploring, we should continually advance forward. We must do realistic tasks, not flourishes or showcases. We should advance in a down-to-earth manner. We should learn from past lessons: While strengthening the material civilization drive, we must also develop spiritual civilization and a legal system construction. We should always remember to pay attention to both aspects. We should set high demands on both counts, as instructed by Comrade Xiaoping.

Spring is the season for seed-planting. Accompanied by the great spring season, the NPC deputies will definitely spread seeds, incorporating the guidelines of the NPC session in the hearts of hundreds of millions of people so

that they will germinate into an enormous material force. Let us rally around the party Central Committee with Comrade Jiang Zemin as the nucleus; thoroughly and accurately implement the party's basic line; and strive to build a modernized, rich, strong, democratic, and civilized socialist China.

Deputies on Growth Rate, Efficiency, Market

HK0404011592 Beijing XINHUA Hong Kong Service
in Chinese 0512 GMT 1 Apr 92

[Commentary by Sheng Zuren (4141 4371 0088): "Growth Rate, Economic Results, and Market"]

[Text] Beijing, 1 Apr (XINHUA)—Many deputies attending the Fifth Session of the Seventh National People's Congress [NPC] agreed that efforts should be made to broaden the market and achieve a high growth rate on the basis of good economic results.

NPC deputies from Tianjin, Shanghai, Guangdong, and Fujian pointed out: Various localities do not need to seek the same growth rate of production, and those with better conditions and economic results may raise their growth rates higher. If one cannot produce marketable and good-quality products and cannot achieve good economic results, however, one will just be bogged down in a worse situation if the growth rate is higher.

In the operation of the product economy over a long time in the past, the growth rate was only measured by output value. In order to achieve a higher growth rate, one had to increase output value. Once products were stockpiled and the economic results got poorer, the growth rate had to be lowered, with output value being decreased. This method of rigidly using a percentage figure as the standard for controlling the growth rate gave no consideration to economic results and market needs. It is no longer useful in current economic development.

The growth rate must be linked with economic results, which are directly determined by market demand. This conception has been accepted by more and more people.

Some NPC deputies pointed out: Without a certain growth rate, there can be no satisfactory economic results; good economic results must be reflected in a certain growth rate. In order to seek a high growth rate based on good economic results, the key lies in broadening the market.

Major changes have occurred in recent years in China's market relations between supply and demand and in the nation's consumption structure. The market for consumer goods is marked by the transition of the people's lifestyle from a "subsistence pattern" to a "comparatively well-off pattern." The consumption differences between these two patterns of lifestyle should be fully made known to the people so that guidance can be given to the transition of people's consumption habits.

Economists among the NPC deputies pointed out: Such consumption guidance should not only be given regarding people's food, clothing, and dwellings, but also regarding people's leisure-time activities. For example, varieties of cooking oil and rice supplied to the people can be enriched; household electric appliances can be upgraded; and more commodity housing and interior decoration services can be offered to the public.

With the broadening of the market for consumer goods, manufacturers will have to continuously update their technology and products. This will inevitably stimulate the demand in the market for producer goods, thus promoting the development of these industries. At the same time, the capital market, the labor market, the technology market, and the information market will all grow alongside the growth of the product market.

China itself is an immense market. In the course of advancing the openness to the outside world, China should make greater efforts to broaden its international market.

Political & Social

Jiang Zemin Says No Change in Tiananmen Verdict

HK0604044092 Hong Kong AFP in English 0404 GMT 6 April 92

[Text] Beijing, April 6 (AFP)—China's political leaders have no intention of altering their verdict on events surrounding the crushing of the Beijing democracy movement in 1989, Communist Party General Secretary Jiang Zemin said Monday.

"Several years have passed since the Tiananmen events of June 1989 ... we have no intention of producing another resolution or decision," he told a press conference.

The leadership had been "consistent in our views and our opinions," and anything else was simply "the guess of the people in the West," he added.

Asked about the possible rehabilitation of his predecessor Zhao Ziyang, who was replaced after the crack-down in June 1989, Jiang said "the investigation into his case is something belonging to the internal affairs of the party."

He said "sooner or later we will come to a conclusion and we will put an end to the investigation into this case."

Zhao was removed for being too sympathetic to the pro-democracy movement and for having attempted to "divide the party."

Jiang, who left Beijing Monday for a five-day official visit to Japan, also said no changes were planned within the Communist Party Politburo.

"The National People's Congress meeting has been a great success and it has adopted the report on the work of

the government, so there is no such thing as a need for change in the composition of the Politburo.

There was a consensus to "further promote the reform process and also open China wider to the outside world, and further develop our economy. All the Politburo members agree on these points," he added.

Peng Zhen Emphasizes Greater Economic Efforts

OW0404113592 Beijing XINHUA Domestic Service in Chinese 0917 GMT 4 Apr 92

[Report by XINHUA reporter Ma Kuijun (7456 7608 0689): "Improving the Economy Is Most Important—Sidelight of Shanxi Deputies Visiting Comrade Peng Zhen"]

[Text] Beijing, 4 April (XINHUA)—"Your attendance at the National People's Congress [NPC] meeting is an important responsibility. I hope you will continue to uphold our party's lines, principles, and policies, and do a good job in implementing them. I also hope you will continue to make efforts to boost the economy and improve the people's livelihood. If we fail to boost the economy, we cannot demonstrate the superiority of our socialist society." These remarks were made by 90-year-old Peng Zhen when he happily received Wang Tingdong, Wang Senhao, Yan Wuhong, Zhang Jianmin, Xing Yimin, and Sun Ying who visited Peng Zhen in his residence yesterday afternoon on behalf of all other deputies attending the Fifth Session of the Seventh National People's Congress, as well as people in Shanxi.

"Tell me something about Shanxi, my hometown," Peng Zhen said. Showing great interest in his hometown's development, Comrade Peng Zhen inquired in great detail about the situation in Shanxi. He also said: "I miss my folks there very much. I have not returned to Shanxi for several years, so I miss them. Please convey my best regards to them upon your return to Shanxi."

Wang Tingdong, chairman of the Shanxi Provincial People's Congress Standing Committee, and Shanxi Governor Wang Senhao briefed Peng Zhen on the discussion they had at the NPC session. Peng Zhen said: "Comrade Xiaoping said that we must uphold 'one center and two basic points.' This is the CPC's basic line. Our economic work is quite satisfactory, but the efforts we have exerted in this area are still not enough. We must concentrate our efforts on accelerating economic construction and make it more successful. While doing this, we must also crack down on crimes. If we continue to do our work in a practical manner, problems can be surmounted in the long run. Reform and opening up are meant to develop and liberate productive forces. We must make persistent efforts in carrying our reform and opening to the outside world. We should not waver for 100 years."

When Chairman Wang Tingdong and Governor Wang Senhao told Comrade Peng Zhen that the Shanxi Provincial Party Committee and the Shanxi Government have decided to lead people in Shanxi to accelerate

Shanxi's economic development along the party's basic line, Comrade Peng Zhen said: "Shanxi now produces nearly 300 million tonnes of coal annually. This is an honor of the working class and the people in Shanxi. I also am very pleased. Shanxi is an old revolutionary region, and the people there contributed immensely to the Chinese revolution during the War of Resistance Against Japan and the War of Liberation. The party's fine traditions and the masses' revolutionary traditions are an enormous strength. I believe that people in Shanxi can continue to contribute significantly to socialist construction as long as they bring this strength into play. [no closing quotation mark as received; version published in Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese on 6 April page 1 provides closing quotation marks after "play".]

Beijing TV Shows Peng Zhen Receiving Visitors

OW0404140092 Beijing Central Television Program
One Network in Mandarin 1100 GMT 4 Apr 92

[From the "National News Hookup" program]

[Text] Comrade Peng Zhen's residence was brimming with jubilation yesterday. Some Shanxi deputies attending the Fifth Session of the Seventh National People's Congress went there to see 90-year-old Comrade Peng Zhen. [Video shows closeups of a smiling, alert, and healthy-looking Peng Zhen standing and shaking his left hand with Shanxi Party Secretary Wang Tingdong and Shanxi Governor Wang Senhao; camera pans from right to left to show other Shanxi deputies. Peng Zhen wears a light gray Mao-style tunic. Video cuts to show closeups of a smiling, seated Peng Zhen conversing with Wang Tingdong. In one shot, Peng rests his right arm in his lap. In another shot, the right arm rests unmoving on the arm of the chair. In one shot, an unidentified woman sits behind Peng Zhen and whispers to him on occasion, apparently to help interpret the Shanxi dialect. Wang is heard saying to Peng: "We have not seen you for several years, so we have come to visit you." Peng Zhen, speaking firmly, is heard saying: "Yes, we have not seen each other for several years. I am a native of Shanxi, but I have become a stranger in Shanxi now." Then he laughs heartily. Wang is heard saying: "You look very healthy." Peng answers: "So far so good." Then Wang says: "We all are very happy to hear that."]

Comrade Zhen inquired in detail about the situation in Shanxi. He told the visiting deputies: I miss my folks in Shanxi very much. I have not returned to Shanxi for several years, so I miss them. Please convey my best regards to them upon your return to Shanxi.

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CPC's basic line. Our economic work is quite satisfactory, but the efforts we have exerted in this area are still not enough. We must concentrate our efforts on accelerating economic construction and make it more successful. If we fail to boost the economy, we cannot demonstrate the superiority of our socialist society. While doing economic work, we must also crack down on crimes. If we continue to do our work in a practical manner, problems can be surmounted in the long run. Reform and opening up are meant to develop and liberate productive forces. We must make persistent efforts in carrying out reform and opening to the outside world until a communist society has been built.

When Chairman Wang Tingdong and Governor Wang Senhao informed Comrade Peng Zhen that the Shanxi Provincial Party Committee and the Provincial Government have decided to lead people in Shanxi to accelerate Shanxi's economic development along the party's basic line, Comrade Peng Zhen said: Shanxi now produces nearly 300 million tonnes of coal annually. This is an honor of the working class and the people in Shanxi. I also am very pleased. Shanxi is an old revolutionary region, and the people there contributed immensely to the Chinese revolution during the war of resistance against Japan and the war of liberation. The party's fine traditions and the masses' revolutionary traditions are an enormous strength. I believe that people in Shanxi can continue to contribute significantly to socialist construction as long as they bring this strength into play.

CPC Said To Suggest Chen Yun, Others Retire

HK0404024592 Hong Kong CHING PAO in Chinese
No 177, 5 Apr 92 pp 45

[Article by Yueh Lin (1471 2651): "Chen Yun and Three Other Leaders Are Requested To Retire"]

[Text] There has been demand from among Beijing central organ cadres that Chen Yun, Song Renqiong, Yao Yilin and Song Ping retire for old age.

Deng's Southern Tour and Speeches Drew Echoes

According to Beijing sources, cadres inside and outside the party and masses were generally excited at learning about Xiaoping's southern tour made around the Spring Festival and his tour speeches, and uniformly and enthusiastically welcomed Deng Xiaoping's remark that the line of the Third Plenary Session of the 11th CPC Central Committee—that economic construction is the center—will go on for at least 100 years. Sources close to the CPC Central Committee General Office revealed that as of mid-February, the CPC Central Committee had received letters or cables from some 1,800 party and government organs across the country expressing to General Secretary Jiang Zemin their sincere support for Deng Xiaoping's call for increasing the pace of reform and opening up.

Some 300 CPC Central Committee members and Central Advisory Commission members from 30 provinces,

cities and autonomous regions sent a cable of their own accord to the CPC Central Committee stating: Rally round the Comrade Jiang Zemin-led Central Committee; resolutely and unwaveringly march on the line of economic construction as the center as laid down by Comrade Deng Xiaoping.

Sources also claimed that, in the study and discussion of Deng Xiaoping's southern tour speeches, there have been demands from among some CPC ministerial level organs insinuating that Central Advisory Commission members Chen Yun and Song Renqiong, and CPC Central Committee Standing Committee member Yao Yilin and Song Ping are all very old and should retire voluntarily.

Hu Qiaomu Sticks to His Anti-Revisionist Position

It does not seem that persons viewed as obstructing reform and opening up would opt out of the political arena, however. On the contrary they have continued to make known their viewpoints. Hu Qiaomu, one of the authorities in theoretical matters, said recently: The most dangerous things for the party—those who can jeopardize its survival—can be found in Eastern Europe and the former Soviet Union: One is the pursuit of anti-Marxism and reneging on Leninism; and the other is the pursuit of bourgeois liberalization within the party.

People of Beijing, Shanghai and Guangzhou theoretical circles all hold an opposite position, however. Central Advisory Commission member Wu Xiuquan recently said at the CPC Central Committee Party School: The most dangerous things for party's survival and development is doctrinairism, bookism and formalism; and another threat is the corruption and bureaucratism within the party. The line of taking economic construction as the center has been proved by practice as corresponding with China's national situation and should be upheld.

The "Leftist" Tide Following the Assumption of Office of the Acting Cultural Minister

Another source claimed: A total of 78 films and television plays were prevented from shooting by the central Cultural Ministry in 1990 and 1991—some of these included plays that expose the dark side of the Cultural Revolution and corruption in the bureaucracy; over 30 political books were banned or taken out of circulation, including some of Hu Yaobang's and Zhao Ziyang's speeches made in office; over 120 local small newspapers and publications were banned; and 21 Hong Kong, Macao and foreign films which were screened before 1989 were also banned.

The "ban, ban, ban" action of the Cultural Ministry is reported to have originated from the following remark by Acting Cultural Minister He Jingzhi: As long as I am in office, I will never stand idly around and let works of bourgeois corruption and degenerate and reactionary ideology fill up the Chinese literary scene, unless the higher levels sack and throw me out of office.

Article on Chen Yun's Counterattack Against Deng

HK0204143892 Hong Kong CHENG MING in Chinese No 174, 1 Apr 92 pp 12-14

["Notes on Northern Journey" by Lo Ping (5012 0393) and Li Tzu-ching (7812 5261 0079): "Large-Scale Counteroffensive From Chen Yun Camp"]

[Text] After Deng Xiaoping's inspection tour of the south and his speeches, Chen Yun-led conservatives launched a series of large organized offensives. They wrote collective letters to Deng Xiaoping rejecting entirely Deng's speeches made during the inspection. Chen Yun has been particularly active, making strongly worded speech in response to Deng Xiaoping. Regarding the issue of dissolving the Central Advisory Commission, Chen Yun and commission members put forward the establishment of a central advisory group as a transitional means in a bid to preserve this stronghold for the conservatives.

"This is Deng Xiaoping's final blow."

"China can only march forward and cannot fall back."

These are the words from the general public and many party-member cadres following Deng Xiaoping's inspection tour of the south. There is another voice clamoring, however. It comes from high CPC levels—from Chen Yun's conservative camp.

35 People Wrote Letter to Deng Xiaoping Putting Forward Six Requests

In mid-February, 35 Central Advisory Commission members, Central Committee members and Central Commission for Discipline Inspection members wrote a joint letter to Deng Xiaoping stating their six requests in strong terms:

1. Request upholding of the Marxist-Leninist party-founding line.
2. Correct promptly the direction of development which has deviated from the socialist path.
3. Conduct rectification movements for communist ideology, ideals, and ethics.
4. Conduct propaganda and education in socialist ideology, morality and spirit in enterprises, units, schools, and neighborhoods across the country.
5. Launch struggle against the infiltration and inculcation of Western ideologies and corrosive peaceful evolution.
6. Launch reforms, opening up, and self-perfection which are socialist in nature.

The Great Counteroffensive on Deng Faction's Great Offensive

Most of the 35 signatories are political old men, either conservative or with conservative leanings, including Chen Yun, Li Xiannian, Wang Zhen, Wang Renzhong (before he died), Chen Zuolin, Deng Liqun, Hu Qiaomu, He Jingzhi and so on.

This was the first organized collective move against Deng's line and Chen Yun's great offensive against the Deng faction's great attack. Their six requests represent a complete full negation of Deng's southern-trip speeches, and the key point is opposing economic construction as the work focus and Deng-style reform and opening up.

Waves follow one another. On 12 March, 56 Central Advisory Commission members, Central Committee members, Central Commission for Discipline Inspection members, and some retired old party, government, and Army cadres wrote a letter to Deng Xiaoping and the Central Committee Political Bureau requesting a special central work conference in the immediate future to discuss whether the current overall party line and principle are correct.

This was intended by the conservative faction to fan fires through the central work conference for negating Deng Xiaoping's line.

Deng: Practice Is the Sole Criterion for Verifying Lines

Deng Xiaoping made comments on the letter: "I suggest those comrades who listen to biased opinions and hold fast to the book, take a look at what is happening at the grass roots, study and analyze the situation there. Practice has made a preliminary answer to the question whether the party line is correct or not: Practice is the sole criterion for verifying if the line is correct or not."

Peng Zhen also commented: "Concur with Comrade Deng Xiaoping's comments. Marxist-Leninist theories cannot be divorced from social developments and practical national situations. If Marxism-Leninism does not develop and is not improved, it will lose its value of truth."

Chen Yun Reacted Strongly to Deng's Southern-Trip Speeches

Signs suggested that the conservative faction has launched repeated organized offensives masterminded by the conservative faction's arch-leader Chen Yun. From the very beginning he made clear his position of vigorously opposing and blocking Deng Xiaoping's line. Chen Yun made strongly-worded responses shortly after Deng made his speeches on his southern tour.

According to sources, Chen Yun said in an address in early March to Central Advisory Commission members and State Council people-in-charge: "The recent propaganda drive from central to local authorities is a strong wind, and its main spirit has been adopted by the NPC [National People's Congress]. But are we going to run a fever, grow ambitious, and declare an end to improvement and rectification? I think this does not accord with reality. Rectification can halt only temporarily and for a period. Its aims are to right the line which already deviates from economic laws and guide it to develop scientifically and pragmatically according to the national situation. Now is better than 1987, 1988 and 1989. But,

outstanding problems still remain. Enterprises continue to suffer great losses, product backlogs amount to over 50 billion yuan, and there has been no fundamental improvement in economic returns. Last year's financial deficit was some 18 billion yuan, and may exceed this in my calculation."

Chen Yun: Some People within the Party Criticize Me for Being Fossilized

Chen Yun produced a bunch of figures in an attempt to prove that even "improvement and rectification" itself should not be ended, much less further lifting controls and developing the economy. But Chen Yun will be unable to explain why the three year-long improvement and rectification still leaves all the problems outstanding; and why attempts failed to "turn" the "line which deviates from economic laws" to the "correct" direction.

Chen Yun again said: "Some people in the party criticized me for being fossilized and toeing the line. Construction and developing the economy can only be done strictly according to economic laws and in a scientific manner. Are the lessons several years ago not enough? I know there are some comrades who think differently on developing the economy and pursuing reform and opening up. But I do not want to evade this question, which is a question of principle. A communist party and ruling Marxist party can only pursue socialist construction; this is the overall direction and central guiding thought, not merely a slogan, or a billboard, or publicity device. The part of Marxist theory that concerns the development of the socialist economy did lay a certain foundation for our country's economy, which otherwise would have crumbled during the 10 years of catastrophe of the Cultural Revolution. Social development and changes cannot be divorced from scientific laws. Different societies pursue different systems according to their own theories. This indicates competition and struggle between two or many kinds of systems in their different national situations."

"The Tendency To Shake Off State Planning Is Dangerous"

Chen Yun said: "At present there is a dangerous tendency in enlivening the economy to shake off state planning. This is a grave tendency. It will certainly create chaos, affect the entire national economy and lead to social turmoil. The main cause of 1989 political unrest was an overheated and derailed national economy, which resulted in unbearable inflation. With rampant bureaucratic corruption, this was exploited for stirring up trouble by people of bourgeois liberalization persuasion who had long been watching for an opportunity. They encouraged students to agitate for trouble, and some citizens joined the agitation. This was a lesson from history and an unfortunate page in party history. The problem started with the party leadership—I am referring to the core leadership. Now some people are asking if we are going "fast" and "wide" and "deep"

enough and want us to lean toward it in a bold fashion. Which direction do we go further in? Have Yugoslavia, East Europe and the Soviet Union gone sufficiently far? And was their fall fast enough? This is a realistic lesson and reference. Our national situation is different from theirs; but our economic foundation is even weaker than theirs. We just cannot afford such painful lessons.

Deng-Style Reform Will Only Lead Us Toward Capitalism

Even before Deng Xiaoping made the inspection of the south, Chen Yun contended with this speech that it was a foregone conclusion that Deng-style reform would, like the Soviet Union and East Europe, incline toward capitalism and lead finally to great political, economic, and social turmoil.

Chen Yun again talked at length about his bird-cage economic theory and the relationship between the cage and the bird. He said: "To enliven the economy, I agree. But it must be done by planning and not by disrupting the economy because of doing without guidance planning. This is economic law, the direction of the development of things, the only correct direction, and cannot be changed or replaced by the subjective and rich imagination or beautiful visions of me or any persons. I talked about the relationship between the cage and the bird 10 years ago at the 12th Party Congress. You cannot hold a bird tight in your hand, it will die. You must let it fly, but only within the cage. Without a cage it will fly away and lose direction. The cage must be of a proper size, which can become bigger whenever we want. Under state guidance planning, things can cross provinces, departments, countries, or even continents. It is not so that the "cage" does not change. If the bird grows bigger, the cage must be adjusted—like revising, adjusting the plan, or pursuing rectification. Why has there been rectification over the last two years? Was it not because there had been chaos, dislocation, and the bird had flown away? There must be a "cage." Advanced capitalist countries also have "cages." Of course their societies are different from ours. Leaders responsible for party and economic affairs must conscientiously study Marx's, Engels' and Lenin's works on economics. This is highly necessary for holding the steering wheel in economic construction and formulating principles and policies."

Divergence Between Chen and Deng Is That of General Line and Principle

Chen Yun is still convinced that his bird-cage concept is the "only correct one." Apparently he sees himself as a great Marxist-Leninist economic theoretician. There is an unbridgable gap between his and Deng Xiaoping's pragmatic line. Such divergence on the general line and principle has triggered off an intraparty struggle of lines unseen over last 10 years. Chen Yun's recent extraordinarily active moves, and the launching by the conservative faction of an organized offensive against the Deng faction, indicate that no side can win the struggle with one or two engagements.

The struggle of lines between the Chen and Deng factions entails exchanges of words on the theoretical and ideological fronts and a fierce tug-of-war in organizational and personnel matters.

Deng Xiaoping's repeated calls for dissolving the Central Advisory Commission mean that the "veteran revolutionaries" might lose part of their vested interests, a base from which to have a hand in politics and, more fatally, the loss for Chen Yun of a headquarters for the conservative camp.

The Central Advisory Commission Proposes Renaming Itself "Central Advisory Group" After 14th Party Congress

On 12 March, some Central Advisory Commission members made a special trip to Sichuan to attend a meeting to discuss the dissolving of the commission after the 14th Party Congress. After the meeting, they proposed to the CPC Political Bureau in the capacity of the Central Advisory Commission that it be renamed the "Central Advisory Group" after the 14th Party Congress as a means of transition, which was to last two to four years.

A commission member said in private:

"The Central Advisory Commission itself is a transitional arrangement. Now there is this "Central Advisory Group." It is only a change in name. A transition for a transition: This is something unheard of in CPC politics."

According to sources, this scene was also written and directed by Chen Yun. Last autumn when Deng Xiaoping and Chen Yun met at Xishan, the two came to a consensus that, in principle, all old people must retire and the Central Advisory Commission be dissolved. Chen Yun suggested: "One or two must remain on the Political Bureau and Political Bureau Standing Committee," in an attempt to leave a "tail" behind. Deng Xiaoping said: "Shangkun has made it very clear: All must go; otherwise the younger generation just cannot work freely. This would be bad."

Deng Xiaoping: It Is Best That We Do Not Set Up Central Advisory Group

Deng Xiaoping met Chen Yun in Shanghai January this year on his southern trip, when he invited Chen Yun to go with him to the south in an attempt to persuade Chen Yun to support his line. Chen politely declined, saying: "Set up a central advisory group as a means of transition after dissolving the Central Advisory Commission." Bo Yibo was there, too. Deng said: "We must make it clear whether we should set up an advisory unit, and, if so, its functions and necessity. If it is necessary, then let Yang Shangkun and Bo Yibo select some; better keep it small. Too many members result in different opinions. But it is best that we do not set up such a group."

Most of Nine Persons Proposed by Chen Yun To Make Up Nucleus of Central Advisory Group Are Leading Leftists

On the day of the Sichuan meeting of Central Advisory Commission members, Chen Yun submitted to the Political Bureau candidates for the nine core members of the "Central Advisory Group," hand-picked by himself. They were Song Ping, Yao Yilin, Bo Yibo, Song Renqiong, Wang Zhen, Chen Zuolin, Deng Liqun, Hu Qiaomu and Wang Renzhong.

Chen Yun's move was intended to force Deng to agree to setting up the "Central Advisory Group." But Deng Xiaoping had his countermove. It is said that if Chen Yun and the Central Advisory Commission insisted on setting up the "Central Advisory Group," Deng would personally propose to the Political Bureau: The core will be made up with five persons: Yang Shangkun, Bo Yibo, Song Ping, Li Desheng and Liu Huaqing. Deng made put forward two points: The Central Advisory Group [as published] has no part in policy or decision formation in the Political Bureau, and it has no decision or veto powers on central resolutions or proposals.

Deng Xiaoping's Countermove Neutralizes Central Advisory Unit

Deng Xiaoping's move was aimed at neutralizing the "Central Advisory Group" even before it existed. It was meant to provide an exit for Chen Yun. Control would remain in Deng Xiaoping's hands.

Looking at this round of intraparty line struggle in perspective, though it is far from clear who will be the winner, we can be sure of one thing: If Deng Xiaoping insists on "taking economic construction as the center" and further reform and opening up, and, for a certain time at least, going along with the people's will and the law of historical development, he will have the support of the people to some extent. Therefore, it is only a matter of time before the Deng Xiaoping line will prevail over the Chen Yun line.

14th Party Congress Preparatory Groups Formed

HK0304154192 Hong Kong CHIU-SHIH NIEN-TAI
in Chinese No 4, 1 Apr 92 p 17

[Article by Liu Li-kai (0491 7787 2818): "Two Preparatory Groups for 14th CPC National Congress"]

[Text] The relaying of Deng Xiaoping's speeches during his inspection tour of the south will have a direct bearing on the preparations for the 14th CPC National Congress.

It is learned that the CPC has now set up two preparatory groups for the party congress. One is called the "14th Congress Document-Drafting Group," and the other is called the "Candidate Recommendation Group (ming dan ni yi xiao zu 0682 0830 2362 6231 1420 4809)."

The "Document Drafting Group" will certainly give prominent expression to Deng's line as advocated by the

Political Bureau. Gong Yuzhi, former deputy director of the central Propaganda Department, is a member of the document-drafting group. He was a chemistry graduate of Qinghua University in the 1950's, and was a go-getter when Hu Yaobang was the party's general secretary. His current important appointment shows that he will again play a prominent role in the political arena.

The "Candidate Recommendation Group" is of crucial importance, because it will decide the namelist of the delegates to attend the party congress, the namelist of the candidates for the Central Committee, and even the namelist of the candidates for the Political Bureau. According to previous practice, the deputy chief of the Candidate Recommendation Group would be the director of the central Organization Department. The current director is Song Ping, a conservative who put forward the principle of "appointing cadres with both political integrity and working ability and paying more attention to a candidate's political quality." The question is who will be chief of the group. It is believed that the chief will be a senior party leader, and it is very likely that Deng Xiaoping will personally appoint the chief.

According to informed sources in Beijing, it is very likely that Bo Yibo will be the chief of the Candidate Recommendation Group. Bo is one of the "eight senior leaders [ba lao 0360 5071]." Apart from Deng Xiaoping and Yang Shangkun, other senior leaders have successively lost working ability. Peng Zhen is now semi-paralyzed; Wang Zhen has contracted throat cancer; Li Xiannian and Chen Yun are in poor health; and Song Renqiong has long stopped caring about political affairs. Comparatively, Bo Yibo's health is better. By appointing Bo Yibo as group chief, Deng Xiaoping may achieve some important purposes. Another possible candidate for the office is Xi Zhongxun (who is between 70 and 80), because he is also regarded as a comparatively enlightened figure.

Deng Appoints Head of Documents Group

HK0404040892 Hong Kong THE STANDARD
in English 4 Apr 92 p A-5

[By Cheung Po-ling in Beijing]

[Text] Chinese paramount leader Deng Xiaoping has appointed his bridge partner, Ding Guan'gen, as head of a drafting group for the political report and other documents of the 14th party congress.

The preparation for the party congress will mark another round of jockeying for position after the closure of the National People's Congress session yesterday.

Chinese sources said Mr Ding, an alternate member of the party Politburo, would head the high-level group which is to incorporate Mr Deng's ideas into the crucial report spelling out the party line for the next five years.

The political report of the 13th party congress was drafted by Bao Tong, a close aide of former party chief, Zhao Ziyang.

Mr Ding has kept a close relationship with Mr Deng as the pair always play bridge together.

Sources said Mr Deng's success in installing his proteges in the group represented another victory for him.

The drafting group also comprises Shao Huaze, editor-in-chief of the official mouth-piece PEOPLE'S DAILY, Liu Ji, the party's propaganda chief in Shanghai, Zheng Bijian, deputy president of the Academy of Social Sciences, and Gong Yuzhi, deputy chief of the central propaganda department.

Sources said Mr Deng had chosen the members carefully to ensure his views on bolder reform and thought liberation would become the main guidance of the report.

For instance, Mr Shao, the former editor-in-chief of the LIBERATION ARMY Daily, expressed his support of Mr Deng's line when he met recently with President Yang Shangkun, a staunch Deng ally.

Sources said Mr Yang, also vice-chairman of the Central Military Commission, asked Mr Shao to follow the supportive stance of the army towards Mr Deng's calls.

Jiang Zemin, Others Plant Trees in Beijing

OW0504140192 Beijing XINHUA Domestic Service
in Chinese 0756 GMT 5 Apr 92

[By reporter Zou Aiguo (6760 1947 0948)]

[Text] Beijing, 5 April (XINHUA)—Today is volunteer tree planting day in Beijing. Jiang Zemin, Yang Shangkun, Li Peng, Wan Li, Qiao Shi, Yao Yilin, Li Ruihuan, and other leading comrades came to Chaoyang Park, currently under construction, to plant 14 Chinese pines and more than 100 cypresses and yulan magnolia trees.

Upon arrival at the tree planting site at 0945, Jiang Zemin and other comrades picked up spades and joined others in planting trees. General Secretary Jiang Zemin, Yao Yilin, and Chen Xitong joined in planting a Chinese pine. Chen Xitong said: Every one of these 14 Chinese pines is about 10 meters high and symbolize the convening of the 14th National Party Congress this year. Raising his head to see the luxuriant pine trees, Jiang Zemin gasped in admiration: Pine trees are good. They remain evergreen and steadfast for hundred of years. Chen Xitong said: The style of pine trees is the style of we communists. Jiang Zemin said: Marshal Chen Yi once wrote a poem that reads: "Defying the heavy snow on their boughs, the pine trees stand straight and steadfast." Yao Yilin continued the poem: To tell how lofty and unbending the pine trees are, wait until the snow melts.

This is the 14th time that President Yang Shangkun has taken part in Beijing's volunteer tree planting activities, which are held once a year. Using a spade to turn the earth and watering around the planted tree, President Yang worked very energetically. He said: We can only plant a few trees here. Our objective is to promote the tree planting spirit. After planting a pine tree, he paused to look into the distance while holding a spade and loudly praised the green trees and clear water that caught his eye. Comrades from Beijing Municipality told him that the Chaoyang Park occupies 320 hectares, of which 253 hectares are land and 67 hectares are water; and that the main thrust of the park's planning is to give prominence to greenery in the park. Yang Shangkun said: We should make the Chaoyang Park even more beautiful than the Summer Palace.

After planting two pine trees, Premier Li Peng picked up his spade and walked to another tree. Comrades from Beijing Municipality told him: After the Chaoyang Park is completed, it will become a refreshing and recreation center for the 1 million residents of eastern Beijing. Li Peng said: There are 1.4 million residents in the Chaoyang District—most of them are workers. The district is the home of many large factories, such as chemical factories, thermal power plants, coking factories, and textile mills. The government thinks of the people's well-being. By developing the natural scenery into a park, the government is doing a good deed. This not only will provide a place for residents to relax but will also contribute to improving the environment. Looking at the artificial lake converted from a deserted coal pit, Li Peng said: Humans have destroyed nature, and now we should reform and restore it.

Chairman Wan Li, once vice mayor of Beijing, asked Mayor Chen Xitong while planting a tree: Where does the water of the lake in the Chaoyang Park come from? Chen Xitong said the water is diverted from the Liangma River. The former and incumbent mayors of Beijing then began to discuss the city's ecological and environmental problems. Wan Li said: Sand storms seriously affect Beijing's environmental conditions. Greening and afforestation are an important means of improving the environment. Sand storms in Beijing have become less hazardous. To maintain a good environment, we must never slacken our efforts in harnessing sand storms and in planting trees. After hearing Chen Xitong's briefing on Beijing's greening and afforestation work in the last few years, Wan Li said: We have heavy responsibility in making our capital more beautiful to benefit younger generations.

Leading comrades also taking part in today's tree planting activities were Tian Jiyun, Li Tieying, Wu Xueqian, Ding Guangen, Zou Jiahua, Zhu Rongji, Yang Baibing, Wen Jiabao, Song Jian, Chen Junsheng, and Qian Qichen.

Economic & Agricultural

State Council Official: No Date Set on 3 Gorges

OW0404161392 Beijing XINHUA in English
1547 GMT 4 Apr 92

[Text] Beijing, April 4 (XINHUA)—A leading official for the massive Three Gorges Project said here today that the National People's Congress (NPC) approval to build the project doesn't mean China will immediately start construction. The final timetable will depend on various factors such as the national economic development.

Yang Zhenhuai, head of the office of the reviewing committee for the Three Gorges Project under the State Council, said at a press conference that China will concentrate on the preparatory work of the project such as the design, investment planning, relocation program and the establishment of an effective leading institution since the project was approved by yesterday's NPC session.

Yang, who is also minister of water resources, said that China will also take into account the flood situation in the final decision of when to build the project. He explained that the serious flood which hit the eastern provinces last summer has cost China a great deal in flood control projects. "It is apparently unsuitable to choose such a year to start the Three Gorges Project," he said.

As the project involves lots of special fields and some technical issues are quite complicated, some deputies to the Fifth Session of the Seventh NPC voted against the project or abstained. However, the entire vote has demonstrated the deputies' serious attitude toward the people and the state issues. "We are satisfied with the result," he said.

He said China will conduct further research and the feasibility studies of the project, especially the issues which drew common concern from the deputies and various social circles to make the project a final success.

In response to a correspondent's question concerning the suspension of the Gezhouba Dam during its construction period, Pan Jiazheng, member of the Academia Sinica and chief engineer for hydropower in the Ministry of Energy, confirmed that the Gezhouba Water Conservancy Project, the largest now in China, suspended construction during the initial construction due to a lack of adequate feasibility studies. However, China didn't blow up the dam and the project went on successfully after further studies, he said.

The Three Gorges Project will never repeat the error of Gezhouba as its feasibility studies alone has lasted for nearly 40 years, the expert said.

Yang added the dam is built on a base of intact solid granite and has no tectonic structure. Over three decades of drilling has proved that undetected conditions are unlikely to prolong the construction period or create the

need for more investment. However, China has to do better in the resettlement experiment, he said.

Compared with the Gezhouba Project, the concrete load of the Three Gorges Project is only twice as much and the earth work is two and half times as the Gezhouba Project, Yang said. China was able to build the Gezhouba Project during the 1970s and 1980s. "We have no reason to doubt China's ability to build the Three Gorges Project successfully in the 1990s," he commented.

On the investment of the project, You Jishou, head of the expert group on economic studies for the Three Gorges Project, said, China has considered raising funds in nine channels. While the income of the project itself in its later phase and the Gezhouba Power Station can provide some 44 percent of all the investment. [sentence as received] The state's budget investment and capital loans are only a small part. Meanwhile, fund raising by issuing bonds in and outside China has demonstrated an excellent future.

Yang Zhenhuai said China will take into consideration issuing bonds as soon as a leading body for the project is set up under the State Council. He said China will raise funds based on the reform and open policy advocated by Deng Xiaoping.

During an hour-and-half-long press conference, other experts who have been in charge of the project's study answered other questions concerning sedimentation and resettlement.

XINHUA Views Proposed Dual Budget System

OW0604050392 Beijing XINHUA Domestic Service
in Chinese 2232 GMT 4 Apr 92

["Explanation of Terminology: What is a Dual Budget System?"—XINHUA headline]

[Text] Beijing, 5 April (XINHUA)—In the Report on the Implementation of the State Budget for 1991 and the Draft State Budget for 1992, recently delivered at the Fifth Session of the Seventh National People's Congress [NPC], Wang Bingqian, state councillor and minister of finance, announced: Starting this year, the state will adopt a dual budget system to replace the original single budget system.

What is a dual budget system?

According to the Ministry of Finance, the dual budget system, a format for preparing budgets, has evolved from the original single budget system. Created in the West in the 1930s, it quickly gained popularity in Western countries after the end of World War II. The basic content of the new system is that, according to their respective economic nature, all budgeted financial revenues and expenditures will be listed under two, or more than two, accounting entries for revenues and expenditures, thereby producing two or more than two budgets. In

comparison with the traditional single budget system, we may not get a direct feel of the general scale of the total budget revenues and expenditures from the dual budget system, but the latter shows us a clearer picture indicating corresponding relations among various financial revenues and expenditures. It suits the needs for economic analysis and improvement in administration.

Since the establishment of New China, the country has used the single budget system. That is, all financial revenues and expenditures were listed under a general table of revenues and expenditures. We did not differentiate between the economic nature of various financial revenues and expenditures. The method was simple and one could get a direct feel of the scale of the total budget revenues and expenditures. However, subsequent to continually deepened economic restructuring and readjusted distribution of national income, China's economic structure of financial revenues and expenditures has changed considerably, and the assortment of major investments has increased in variety. Under the new situation, the single budget system can no longer fully reflect the state's investments for productive construction and sources of its funds; it cannot clearly show how the deficits were formed and how the credit was being utilized; and it is not conducive to an effective analysis on how various financial revenues and expenditures were utilized, nor is it conducive to a scientific administration of revenues and expenditures. Therefore, beginning this year, the state will formally adopt the dual budget system to replace the original single budget system. This is a major reform in the state budget management system under new conditions for developing the socialist commodity economy.

As formulated by the State Council, the dual budget system means that the present state budget will be basically divided into a regular budget and a construction budget, and various financial revenues and expenditures will be placed in the regular or the construction budget according to the respective economic nature of the item. The regular budget includes general revenues received by the state as the manager of society, which will be used as regular government spending on national security and stability, on education, science, health, and other social undertakings, and as expenditures for improving the people's lives. The construction budget covers some revenues specified for use in construction and revenues through borrowing, and the state's direct expenditures on economic construction. Hence, after the reform, the dual budget system will make it easier for us to formulate and implement a budget, to implement the principle of acting according to our capability, to increase visibility over distribution of revenues and expenditures, to establish a restraining mechanism, and to improve management over the budget.

Commerical Bank Activities Since Formation Viewed

*OW0504085592 Beijing XINHUA Domestic Service
in Chinese 0531 GMT 1 Apr 92*

[By reporter Wang Hongyang (3076 3163 3152) and correspondent Zhang Xianbo (1728 6343 0130)]

[Text] Shanghai, 1 April (XINHUA)—A major step in the reform of China's financial system five years ago—the reestablishment of the Communications Bank of China in Shanghai—has today been proven to be basically the main success.

The bank is the only national bank in China which caters to the development of the regional economy. At present the bank has opened 70 branches in 69 large and medium-sized cities located in the most economically developed and open areas on mainland China—including Shanghai, Tianjin, Beijing, Harbin, Shenyang, Wuhan, Chengdu, Chongqing, Nanjing, Wuxi, Ningbo, Guangzhou, Fuzhou and Haikou. It has also established branch offices in Hong Kong and New York. Besides, it has established with full investment China's second nationwide insurance company—China Pacific Insurance Company. It has become a multifunctional bank with the transaction of renminbi and foreign currencies as its main business. Its business also includes insurance, dealings in securities, investments, trusts, leasing, and real estate.

Today's Communications Bank of China has a net capital of 8.558 billion yuan as against 2 billion yuan five years ago. Its total value of assets has reached 100 billion yuan. According to an announcement in June 1991 by the authoritative international financial magazine "Bankers", the Communications Bank of China ranked 178th among the 500 major banks in the world.

The Communications Bank of China has boldly carried out reform in five aspects, and has constantly explored ways and accumulated experiences for establishing a new banking system and operational mechanism.

—The Communications Bank of China has abolished the tradition of merely providing loans, and has implemented reform and shifting from being solely dependent on the central bank or letting enterprises be solely dependent on the Communications Bank. As a comprehensive multifunctional bank, it has developed various financial transactions; promoted a full set of services including credits, dealing in securities, and insurance; introduced transactions incorporating assets between the Communications Bank and enterprises; and considerably increased overall efficiency of its funds. As of the end of 1991, the Communications Bank's balance of domestic deposits in renminbi was 43.6 billion yuan, the amount of outstanding loans was 40.1 billion yuan, respectively increasing over 10 billion yuan annually in the past five years. It has assets in foreign currencies overseas amounting to \$4.929 billion, rising more than 40 percent per year. Its insurance coverage totalled 90 billion yuan with a premium income of 260 million yuan, both figures respectively doubled those amounts in 1990. Dealings in securities and real estate have developed considerably.

—The Communications Bank has persisted in its reform as a banking enterprise and has established an operational mechanism for independent management and self-restraint. Since reestablishment, the Communications Bank has persistently pursued policies of independent management and accounting, being responsible for its own losses and profits and for applying self-balancing in its use of funds. Besides, it has established a set of self-regulating systems whereby a ratio controlling use of funds is imposed; nature and assortment of assets are constantly monitored and regulated; banking operation and management are regularly analyzed; and risks on capitals are predicted and prevented. In transactions of funds between the Communications Bank and the People's Bank of China over the past five years, the value of deposits has been larger than that of loans. So far not a single branch has encountered problems in dealing with its circulating funds. In 1991 the whole bank made a profit of 2.05 billion yuan, or a per capita profit of 115,000 yuan, topping the list of national banks.

—The Communications Bank has implemented a state-owned share holding system, thereby inspiring the bank's vigor. In the early period during reestablishment, the Communications Bank was organized and established in shares by the state share holding units, local governments, departments, and enterprises. A total of over 1,780 share holding units have constantly paid attention to, and supported, reform and development in the Communications Bank. A share holding economic mechanism sharing both benefits and risks has provided the Communications Bank with an abundant supply of operating funds. In the past five years, the Communications Bank has annually allotted more than 90 percent of its total fresh loans to support major state industries.

—The Communications Bank has established a system according to economic and geographic areas, thereby effectively linking economic exchanges and integration across China. At present, the Communications Bank has formed a major base linking the Changjiang Delta, the Zhujiang Delta, the Liaodong Peninsula, and the Shandong Peninsula. This base has business connections across China through an economic and financial network formed by over 400 various branches and organizations in China's 26 provinces, municipalities, and cities. In recent years, the Communications Bank, through this economic and financial network, has begun to endeavor in long-distance economic cooperation including the development of Pudong, the Changjiang River Basin Economic Development Enterprise Group, and nationalized production of Shanghai Santana sedans, as well as joint financial reform in Jiangsu and Zhejiang Provinces, Shanghai, east China, and China's coastal regions.

—The Communications Bank has absorbed and digested international banking management experiences and

won a reputation in the international financial community with its brand-new image in reform and openness. To make exchanges with international financial common practice and to fully play its role as a foreign trade-oriented bank, the Communications Bank—designated by the Chinese Government as one of China's foreign fund-raising windows—has cooperated with the Asian Development Bank and the World Bank to support development in Pudong. Some Communications Bank branches have formed joint ventures as finance and leasing companies with Japan's Bank of Tokyo, Sanwa Bank, and Togin Leasing Corporation, as well as with Hong Kong's East Asia Bank. In the past five years, the Communications Bank has gathered, through international financial markets, long and medium-term capital amounting to \$242 million. In 1988, it has also successfully issued bonds worth \$100 million in Singapore. At present, the Communications Bank has established cooperative relations with more than 300 banks in 59 countries and regions throughout the world.

Tong Dalin Advises 10 Percent Growth Rate

HK0204031292 Hong Kong SOUTH CHINA
MORNING POST in English 2 Apr 92 p 12

[By Daniel Kwan in Beijing]

[Text] China should aim for a 10 percent growth rate this year instead of the six percent set by premier Mr Li Peng in his 1992 government work report, said Mr Tong Dalin, an economic adviser to the Government.

Mr Tong, who is vice-chairman of the quasi-official Chinese Society for Research on Restructuring the Economic System, said in an interview with the SOUTH CHINA MORNING POST that a double-digit growth rate was necessary to realise Mr Deng's reform programme.

"The National People's Congress can revise the figure. Instead of six percent, it can be adjusted up to 10 percent," said Mr Tong, who is a congress member.

He said the six percent target was "too slow and is not going to work".

The 72-year-old economist disagreed that China would become chaotic if it pursued a 10 percent growth rate.

He said the Government should lift its control on prices, especially those on daily consumer goods.

And he claimed the "inflation paranoia" which gripped China in early 1988 in the wake of the first experiments with price reform had been exaggerated.

A policy should be judged by its impact on people's livelihood instead of whether the policy was "capitalist" or "socialist".

He rejected an argument often used by conservative economists that double-digit growth would widen the

gap between China's wealthy coastal provinces and poverty-stricken inland provinces.

The inland provinces, such as Gansu and Xinjiang, could only be developed after the coastal areas took off.

"I always believe that although the modernization programme started in the east, it will be completed in (China's) northwest," he said.

Mr Tong, who is the director of the Institute of Global Concern—an economic think-tank which advised the Shanghai government—predicted that the east China metropolis would lead the next round of reform experiments.

Together with the Pearl River Delta in Guangdong, Fuzhou and Xiamen in Fujian and the Shandong Peninsula, Shanghai and its neighbouring areas would form the "four little dragons", according to Mr Tong.

Economist on Enterprise Reform Progress, Problems

*HK0304063092 Beijing JINGJI CANKAO BAO
in Chinese 16 Mar 92 p 4*

[“Excerpt” of speech delivered by Ma Jiaju (7456 1367 7467), research fellow of the Economic Research Institute of the Chinese Academy of Social Sciences at a forum of Economists: “Enhance Ideological Understanding and Vigorously Expedite Reforms”]

[Text] The situation in the former Soviet Union and Eastern Europe has irrevocably proven that the traditional system lacks vitality. It appears that the traditional socialist economic system should be reformed and perfected and that, in so doing, two different results could emerge. One is the implementation of so-called remedial “reform” or half-baked reform which, unable to erase the original defects completely, will not lead to a dramatic transformation. Another situation is the effective introduction of comprehensive reform, where a new and livelier socialist economic structure replaces the outdated traditional structure under the premise of upholding the basic system of socialism. The result is a more consolidated and healthier development of socialism. This is our choice and our present undertaking. No doubt, reform should uphold socialism; on the other hand, if socialism is to be upheld firmly and put in an invincible position, then it cannot do without reform and opening up.

China's economic reforms have proceeded relatively more smoothly and have reaped more results than reforms carried out earlier in other socialist countries. What are the reasons for this? Barring other factors, one key factor is the correct leadership of the CPC, the guidance of Comrade Deng Xiaoping's thinking on the building of socialism with Chinese characteristics, and a policy as well as various major decisions founded on a correct theoretical basis. With regard to theories about reform, special mention should be made of the two fundamental Marxist views regarding the criteria of

practice and of the productive forces as well as the “two theories”: the “theory of the socialist commodity economy” and the “theory of the initial phase of socialism.” Looking back, one can see just how big a role these two “criteria” and “two theories” have played in promoting and guiding our economic reform. Were it not for the insistence on practice as the criterion for judging truth and the insistence on deliberating problems and assessing the new creations that people have fashioned out of their reform experiences from the basic point of whether or not they contributed to the growth of the productive forces, it would not have been possible for rural agricultural reform to be successful. Naturally, these two “criteria” also serve as the philosophical basis for the “theory of the socialist commodity economy” and the “theory of the initial stage of socialism.” Without these “two theories,” we would not have been able to pick the right target model for reform, much less shifting the focus of reform from rural to urban areas and their comprehensive implementation there. To a certain extent, economic reform in China can be said to have been achieved step by step by following these two “criteria” and “two theories.” And it is absolutely impossible to do away with them if reform is to be developed further. However, these two “criteria” and “two theories” were, for a while, not quite “in fashion”, while the question of the “initial stage of socialism” was very rarely discussed at all. Meanwhile, socialism as a form of the commodity economy (planned commodity economy) appeared to have become an issue in theoretical discussions as some people seemed not to comprehend certain understandings and certain problems, including the “market orientation” of reform, which grew naturally out of this type of socialist economy. Without question, this type of thinking is extremely detrimental to our economic reform. Unless it is corrected, it will be difficult for reform to proceed and advance smoothly.

We have gone just half the way in our economic reform, a process which is advancing at different levels in all areas. At the moment, it is reform of state-owned enterprises which lags farthest behind. While the 1984 “decision” concerning reform spelled out the basic direction and laid down some principles concerning reform of enterprises, it did not outline explicitly a concrete target model. Even though the “Bankruptcy Law” and the “Law on Enterprises” were subsequently promulgated, there are still a number of problems which have yet to be clarified. And in fact, the two aforementioned laws have not been implemented fully. In practice, we have carried out the system of contracted responsibility in a widespread manner, which cannot be said not to have had a positive effect in improving state-owned enterprises. But there are still many problems. Fundamentally speaking, it has not been possible to transform state-owned enterprises into genuine commodity manufacturers and operators with management autonomy as well as accountability for profits and losses. In short, no major

changes have taken place in state-owned enterprises, and this is incompatible with the progress of the entire reform.

The reason for the poor economic performance of state-owned enterprises may be attributed to the stagnation of reform in these enterprises. Now that reform has entered its 13th year of implementation, as well as a new phase of acceleration and intensification, it is indeed time to put it in a truly central position and to address it seriously as a problem. This is intended not only to overcome some economic problems confronting us at the moment, but is also related to the question of whether or not our economy can grow in a sustained, stable and coordinated manner at a higher rate. The problem also lies in the fact that unless this "bottleneck" of reform is broken, the framework of a new economic structure cannot be built. The reason is: If enterprises do not become genuine producers and operators of commodities, it will not be possible to set up a complete market as well as a perfect market mechanism. And without these serving as a base, the establishment of a macroeconomic regulatory and control mechanism dominated by indirect means will remain wishful thinking at best.

What I want to say here is that naturally it is feasible to classify problems into two aspects: improving the external conditions of an enterprise, and ameliorating its internal operational methods through the choice and determination of policy and concrete measures. However, strictly speaking, the operational methods of an enterprise are not exclusively an internal problem. After all, an enterprise is an open system which moves not only outside the market but also within the market. Hence, it cannot be isolated from the market nor from the government. Therefore, the operational method should be considered in its entirety. In particular, the principle of a planned commodity economy should be upheld and the enterprise's relations with the government and the market should be settled satisfactorily in the process of transforming its operational methods through reform. The crucial thing still lies in transforming the enterprise into an economic entity with genuine management autonomy and accountability for profits and losses. How this is to be accomplished has been debated for years. I think that if the shareholding system does not represent the only option (except for a small handful of enterprises which are not only state-owned but also need to be directly controlled and managed by the state), it at least constitutes the most viable option. Under conditions in which shares are held principally by the state and by state-owned legal entities, the introduction of a shareholding system will not undermine the state sector economy.

Indeed, the stagnation of reform in state-owned enterprises can be traced to other objective factors. However, the subjective causes should not be underestimated. The effect which the maintenance of a vast administrative organization has on the promotion of reform in enterprises and on a fundamental change of position for

enterprises should be studied well. Ideological restrictions caused by certain dogmas in textbooks, a reluctance to borrow the experience accumulated by foreign countries in the development of a commodity economy, and an even greater unwillingness to make use of certain formats and methods formulated in capitalist societies but which by themselves cannot be defined as capitalist—all these could naturally lead to hesitation in reforming enterprises. Moreover, since reform itself constitutes a major restructuring of the status quo and of vested interests, it will naturally give rise to certain repercussions in social life. As part and parcel of overall reform, this is especially true in enterprise reform. An important and successful experience in the implementation of reform in China is the simultaneous preservation of stability. This experience should be upheld in the future. But it is also impossible not to have any slight effects. The problem is how to keep the effects within society's ability to absorb them. Otherwise, bigger strides will be impossible. In short, we need to emancipate the mind more and be bolder in carrying out the central task of reforming enterprises and accelerating enterprise reform by coordinating the efforts of all parties.

Auto Industry Anticipates Stiffer Competition

HK0504080692 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 5-11 Apr 92 p 4

[By Wei Min: "Car Firms Gear Up"]

[Text] China's automotive industry, anticipating stiff competition from foreign brands, will take active steps to sharpen its competitive edge in a more internationalized market at home.

The fledgling industry, which made some 700,000 motor vehicles of all kinds last year, will soon take measures to improve product quality and variety as a first step in facing up to competition with foreign-brand automobiles.

All auto makers are being urged to get ready to meet the challenge from outside, Business Weekly has learned.

China is determined to regain its contracting party status in the General Agreement on Tariffs and Trade (GATT) and has already made efforts to meet GATT membership requirements.

That means, experts said, that the country will have to drastically reduce the number of products under the country's import licence coverage and abolish all import regulatory duties.

China's automakers will then have to face imports of low-priced automobiles in larger quantities than at present.

Automobiles are now made in seven plants, most of them Sino-foreign joint ventures, but because of the regulatory duties and the small volume of output, the cars now cost several times more than similar ones sold abroad.

For instance, a Santana car made by the Shanghai Volkswagen sells for 180,000 yuan (\$33,000) on the domestic market.

However, officials from the China National Automotive Industry Corporation (CNAIC) say Chinese made medium trucks have successfully entered the world market. The industry last year exported \$250-million worth of trucks and their parts, mainly to developing countries. The exports are 20 percent more than in the previous year.

The officials said the quality of the trucks is close to world standards and the prices are competitive on the world market.

At a conference earlier this year in Beijing, the industry's export targets for the 1991-95 period were set and measures to help reach the targets were mapped out.

According to reports following the conference, the industry expects to sell billions of U.S. dollars worth of trucks and their components on the world market during the 1991-95 period.

To reach its goals, the industry will have to export at an average growth rate of 24 to 28 percent between 1992 and 1995.

China sold \$634 million worth of trucks and their parts on the world market during the 1986-1990 period.

Last year's exports only amounted to 3 percent of the industry's total output, or 0.15 percent of the world trade in motor vehicles.

To increase exports, the industry will improve its foreign trade system with unified standards and more efficient management.

A senior CNAIC official vowed that his firm will take measures to see that after-sale service abroad is improved.

For that purpose, the industry will set up after-sale service centres wherever large numbers of Chinese-made vehicles are sold.

In addition, CNAIC has planned to establish a centre to give quick service in the supply of spare parts in Shenzhen, China's largest special economic zone.

However, CNAIC officials pointed out that the industry does not yet have any automobiles and their products that are competitive enough to withstand the expected inflow of foreign sedan cars.

Air Route Linking Chengdu, Nanning Opens

*OW0304172192 Beijing XINHUA in English
1550 GMT 3 Apr 92*

[Text] Chengdu, April 3 (XINHUA)—An air route linking Chengdu, the capital of southwest China's

Sichuan Province, with Nanning, the capital of south China's Guangxi Zhuang Autonomous Region, opened Thursday.

The 1,029 kilometer flight, which lasts one and one-half hours, brings to the 63rd route offered by China Southwest Airlines.

A Boeing 737 passenger aircraft will make the round trip each Thursday.

Experts Predict 'Serious' Summer Wheat Diseases

*OW0504034192 Beijing XINHUA in English
0328 GMT 5 Apr 92*

[Text] Beijing, April 5 (XINHUA)—China's summer wheat production, which has been suffering drought, will probably face serious plant diseases and harmful insects, experts here warned.

Due to continuous abnormal high temperature since last winter, more plant diseases and insects have survived the winter and have been breeding more quickly than the normal level throughout China, said experts at the National Plant Protection Center under the Ministry of Agriculture.

The experts predicted insects will pose greater threat to summer wheat than the plant diseases, adding wheat scab, known as "the cancer of wheat" which spreads rapidly, wheat spiders and aphids will affect wheat production in the upper and middle reaches of the Yangtze River.

According to the experts, nearly 266,700 ha [hectares] of wheat in north China's Shanxi Province has been affected by wheat spiders.

In addition, nearly 2.27 million ha of summer grain in east China's Anhui Province will be affected by pests and another one million ha will suffer from weeds.

The Plant Protection Center urged rural areas to fight and prevent the plant diseases and harmful insects.

Sources with the Ministry of Agriculture said farming chemicals supply is sufficient in most part of country's the rural areas.

World Bank Loan Sought for Grain Distribution

HK0504034192 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 5-11 Apr 92 p 1

[By Liu Hong: "World Bank Studies Loan To Aid Grain Distribution"]

[Text] The Ministry of Commerce, the country's dominant grain wholesaler, is working hand in hand with the World Bank to draw up a national blueprint for grain distribution.

The bank is expected to grant \$500 million in loans to the project.

That would be the largest single loan China has so far received from the bank.

The loan agreement will be signed when all evaluation work on the project is complete, said an official with the ministry's department of international cooperation. He expected completion by March of 1993.

The grain distribution network, which will involve construction of both railway and port transport facilities, is part of a nationwide effort to boost China's fledgling grain markets, the official noted.

Grain supplies in China used to be monopolized by the Ministry of Commerce, and grain prices were fixed in such a way that the government had to subsidize both farmers and consumers. The subsidies topped 47 billion yuan (\$8.7 billion) in 1990, 14.2 percent of the government's total revenues.

Market transactions were not initiated to tackle the problem until 1990. According to Bai Meiqing, Vice-Minister of Commerce, the country has now decided to develop a system in which national wholesale and futures markets play a linchpin role, while regional markets and grass-root outlets run the smaller wholesale or retail businesses.

The main purpose of a futures market is to provide a mechanism to hedge price risks associated with cash or on-the-spot market activities, and to provide a means for setting prices.

With the year-old grain wholesale market in Zhengzhou continuing to thrive, the ministry is working with the Shanghai Municipal government to set up a second market—the Shanghai Grain-Oil Exchange—in the special development zone of Pudong.

As an advisor to the Zhengzhou Grain Wholesale Market, William Grossman, the Asia Pacific representative for the Chicago Board of Trade, listed six requirements for a successful market.

Installing adequate transportation and storage facilities is one of them. China's market experts and executives have already recognized that insufficient transport can threaten transactions.

In 1990, on the Zhengzhou market, half the grain deliveries were late because of transport problems, and a number of contracts were cancelled as a result. Among Grossman's other "musts" were developing an efficient cash market, training professional market makers, promulgating trading and accounting regulations, developing a money transfer and trade matching system, setting up an efficient telecommunications and price quotation system.

The projected grain distribution network will include four "corridors," one of which will run across Northeast China's Heilongjiang, Liaoning, Jilin provinces and Inner Mongolia Autonomous Region where roughly

2,000 tons of maize and soy beans need to be hauled out of the region while 446 tons of wheat will need to be hauled in by the year 2000.

Statistics show that existing transport capacity limited the export of maize and soy beans to 1,100 tons in 1990. Only 315 tons of wheat could be brought in.

The other three "corridors" will run past six provinces and one municipality along the Yangtze River, span Beijing and Tianjin, and go across the Guangxi Zhuang Autonomous Region and Yunnan Province.

A World Bank team has just completed its third round of evaluation studies on the project. Part of the team's task was to study the Northeast China distribution "corridor."

Financial experts here observed that the Bank's commitment to the project reflected a new trend in the its lending policy: pegging its assistance to market-oriented reform.

Foreign Investment Sought for Grasslands Products

HK0504023992 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 5-11 Apr 92 p 1

[By Liu Weiling: "Prospects Good for Grass Business"]

[Text] China is inviting foreign investment and cooperation in a bid to tap its abundant grass resources and thrust the products on [as published] the world market.

A special organization set up this month, the China Pratacultural Association (CPA), will promote China's output and export of grass products and Sino-foreign cooperation in this field.

"CPA will strive to create favourable conditions to attract foreigners to do business and invest in building production bases of grass-related items in China, meanwhile improving the country's grasslands," said CPA vice-president Li Liutang.

"Grass products manufacturing is a new industry with great potential because of the huge demand on the domestic and international markets," he said.

After Australia, China has the second most abundant grass resources in the world, with grasslands totalling 400 million hectares, 40 percent of the country's total territory.

According to Li, China has expanded export of grass products such as grass seeds, forage, and lawn in recent years. The turnover, however, remains small.

"But China expects brisker activities in this field," Li said.

Favourable geographic conditions allow China to develop grass seeds typical of every climate, he said.

"We have all kinds of grass seeds that are in great demand in the international market," Li added.

Moreover, China has some unique and especially good grass strains. Some can endure drought, some are cold-resistant, some can survive in barren lands, and others are of great nutritive value.

China hopes to tap the market for drought-resistant seeds in the Middle East, Africa and South America.

In addition to seeds, China's forage is welcomed in various countries, especially those of Southeast Asia, where the over-populated land limits development of animal husbandry.

The main importers now are Japan and South Korea, whose grasslands are not able to support the demand for milk and beef.

Besides expanding contacts overseas, the CPA will also coordinate activities that make it convenient for grass producing areas to cooperate and exchange among themselves or with overseas partners.

Due to lack of a coordinating agency, grass product sales on the domestic market have been "messy," Li said. Stockpiles have occurred in some areas with shortages in others, and some exports have been of low quality, he said.

To remedy the situation and attract foreign buyers, the CPA will urge producers to improve their credibility and ensure the quality of exports, Li noted.

CPA will also help these producers cooperate with foreign investors and import advanced technology and equipment.

Without sufficient financial resources, advanced technology and equipment, most of these grasslands, located largely in the border areas, are in poor condition. Grasses grow and wither with the changing of the seasons and weather.

"If all these 400 million hectares of grasslands are improved, China can expect a big surge in its animal husbandry and grass industry," Li said.

Customs Body Announces Tariffs Reductions

OW0404083192 Beijing XINHUA in English
0820 GMT 4 Apr 92

[Text] Beijing, April 4 (XINHUA)—The China General Customs Administration announced here today that from April 15 the country will reduce the import tariffs on cassava and micro-computers, and the export tariff on eels.

The preferential import tariff for micro-computers will be reduced from the present 50 percent to 20 percent while general tariff to be reduced from the existing 70 percent to 30 percent.

Conference Reports Expanded Foreign Ties

OW0604090592 Beijing XINHUA in English
0833 GMT 6 Apr 92

[Text] Changchun, April 6 (XINHUA)—China has scored major achievements in the development of economic and technical cooperation with other countries and regions over the past decade.

According to information released at a national conference on foreign economic cooperation, which was held in Changchun city, northeast China, China has developed economic and technological cooperation ties with over 140 countries and regions since 1979. In addition, the country has signed overseas contracts valued at over 18 billion U.S. dollars, and has recorded a total overseas business volume of over 12 billion U.S. dollars.

China started initiated contracted foreign projects in 1979 by sending laborers and construction firms to the Middle East.

In recent years, the normalization of diplomatic relations with the former Soviet Union, Laos, Mongolia and Vietnam have presented greater opportunities for the further expansion of China's foreign economic and technological cooperation.

In 1991, China signed economic and technological cooperation contracts valued at over 3.61 billion U.S. dollars, a 40 percent increase over 1990, and recorded a total business volume of 2.26 billion U.S. dollars. Contracts signed with the Commonwealth of Independent States, Mongolia, Korea, Laos, Vietnam and other neighboring countries accounted for over one-third of the total.

During the first two months of 1992, the country entered into technical and economic contracts valued at over 1.15 billion U.S. dollars.

At present, some 123 Chinese firms are engaged in foreign economic and technological cooperation projects, including projects related to construction, labor services, and the establishment of overseas firms.

According to an official of the Ministry of Foreign Economic Relations and Trade, China sent over 500,000 laborers abroad to work between 1979 and 1991. In addition, some 1,008 joint venture, cooperative, or solely Chinese funded firms were founded abroad, 800 of which have gone into operation.

East Region

Shandong Holds Forum on Plans for Propaganda Work

SK0604033692 Jinan Shandong People's Radio
Network in Mandarin 2300 GMT 4 Apr 92

[Text] The Propaganda Department of the provincial party committee held a forum to study and work out plans for the current propaganda work from 3 to 4 April.

Gao Changli, deputy secretary of the provincial party committee, gave a speech in which he stressed: It is necessary to strive to create a good media environment for reform, opening to the outside world, and economic construction.

During the forum, the participants maintained that in carrying out the province's current propaganda work it is necessary to take the important speech of Comrade Xiaoping as a guide, carry out the work in close connection with the work plans of the provincial party committee, appropriately readjust the work ideas, strengthen the service consciousness of taking economic construction as the central task, expand the propaganda scale on reforms and opening to the outside world, and further promote an emancipation of minds in an effort to catch up with the rapidly developing economic situation. We should comprehensively and accurately understand and grasp the party's basic line. The more we deepen reforms, expand the scale of opening, and accelerate economic development, the more we should strengthen ideological and political work and the building of spiritual civilization. We should strive to provide a strong ideological guarantee, ideological impetus, and media support for reform, opening up, and economic construction. Gao Changli, deputy secretary of the provincial party committee, said in his speech: After the relay of Comrade Xiaoping's important speech, the ideology of the people in and outside the party and all fields of work are very active. There are some new circumstances and problems facing propaganda work. We should take Comrade Xiaoping's speech as guidance, conscientiously study these circumstances and problems, do a good job in our propaganda work, and serve the party's basic line in a better manner.

Gao Changli pointed out: We should uphold the guiding principles for propaganda work and have a good grasp of media guidance. The principle of unity, stability, boosting of enthusiasm, and orderliness is very important. Propaganda work should be conducive to unity, stability, and boosting of enthusiasm, and to promoting reforms, opening to the outside world, and economic development. The in-depth reforms involve the endeavour of all sectors, the readjustment of the relations of interest, and the changes in human relationships, and will give rise to many new circumstances and problems. It is necessary to grasp ideological and political work well, do a good job in building spiritual civilization, go deeply to the grass roots to practice,

conscientiously conduct investigations and study, discover problems in a timely manner, give correct guidance, and direct the ideology of cadres and the masses to the guidelines demanded by the central authorities and the provincial party committee. Under the new situations, propagandists should conscientiously study, strive to improve their own quality, understand economics in particular, and know it well. Only thus can they serve economic construction, reforms, and opening-up in a better manner.

Dong Fengji, member of the Standing Committee of the provincial party committee and director of the Propaganda Department, presided over and addressed the forum.

Shandong Measures To Develop Township Enterprises

SK0404033392 Jinan Shandong People's Radio
Network in Mandarin 2300 GMT 1 Apr 92

[Text] Township enterprises throughout our province have made a good start in the first year of enforcing the Eighth Five-Year Plan. The provincial authorities have put forward five measures to encourage them to upgrade their standard in the coming four years. In 1991, township enterprises throughout our province achieved development and improvement in an overall way. Since the programs of improving the economic environment and rectifying the economic order were instituted, the economic results scored in 1991 were the best. The annual output value of township enterprises showed a 28.46 percent increase over 1990. They realized 14.43 billion yuan of profits and taxes, a 21.1 percent increase over 1990. To realize the fighting goal put forward by the provincial party committee and the provincial people's government for during the Eighth Five-Year Plan period, township enterprises throughout the province have defined the following tasks that will be emphatically and successfully fulfilled in the future:

1. Township enterprises will improve their standing, quality, scope, and level by joining in the enforcement of the No. 21521 project. By the end of the Eighth Five-Year Plan period, the province should have 200 villages whose output value will surpass 100 million yuan, 100 enterprises whose output value will surpass 100 million yuan, 500 enterprises whose output value will surpass 50 million yuan, and 2,000 enterprises whose output value will surpass 10 million yuan. The rate of profits and taxes earned by these enterprises should reach more than 10 percent.

2. By regarding technical progress as leading guidance, township enterprises should achieve development and improvement in an overall way. In the coming four years, enterprises whose output value is more than 1 million yuan should strive to conduct reform in an all-round way. Through the forms of hooking up, joining the network, and establishing liaison offices, they should enhance the establishment of technical coordination and association with institutions of higher educational, scientific research units, and state-run large enterprises. In

the coming four years, township enterprises whose output value surpasses 50 million yuan should establish scientific research units of their own. A good job should be continuously done in training the talented personnel of township enterprises. The annual number of trained personnel will be 300,000.

3. Township enterprises whose output value is higher should enter international markets so as to make new breakthroughs in the export-oriented economy. Efforts should be made to improve the investment environment; to develop joint-ventures and cooperative enterprises; to carry out the items of conducting processing with supplied materials and samples and assembling with supplied parts as well as compensation trade; and to encourage and organize enterprises that have conditions to open plants in foreign countries or to establish a business network. Township enterprises should further develop the joint operation of industry and trade and follow the road of carrying out unified activities among trade, industry, and agriculture. Efforts should be made to accelerate the construction of export products bases and to develop a large number of backbone enterprises that can earn foreign exchange through exports and of competitive products.

4. Efforts should be made to accelerate the pace of developing township enterprises in western Shandong; to establish development zones for township enterprises in western areas; and to enforce the policy of preferential treatment, which is similar to that enforced at the export-oriented economic development zones so as to draw the developed regions and fraternal provinces and cities to invest their money in development zones and to open enterprises.

5. Efforts should be made to accelerate the pace of conducting reform among township enterprises, to enhance the building of systems and of regulations and rules, and to emphatically popularize the experience and methods gained in enforcing the contracting system in turning out the essential factors of production and in having assets snowball in value. A good job should be continuously done in conducting the pilot work in opening stockshare and cooperative enterprises and pushing forward the work of opening such enterprises.

Shanghai Firm's Party Secretary Signs Labor Pact

*HK0504044092 Beijing CHINA DAILY (BUSINESS WEEKLY; SHANGHAI FOCUS) in English
5-11 Apr 92 p III*

[By staff reporter Chen Qide: "Pro-Reform Party Man Breaks His 'Iron Bowl'"]

[Text] By signing a labour contract with his immediate superior, Yang Xiqiang, the experienced party secretary from a large local company with more than 16,000 workers, became a contracted employee just like his subordinates.

This was only one episode in Shanghai's employment system reforms, which are now being pushed to help local state-owned enterprises throw out their "iron rice bowls."

As a senior party official with the Shanghai Automation Instrumentation Company, Yang has 2,554 party members from its 23 affiliated factories under his jurisdiction, 15 percent of all employees.

This practice, considered unimaginable in the socialist country in the beginning, once caused doubts about the party's leadership in the state-run enterprises, because the secretaries had been regarded as the embodiment of the party.

"Should a labour-contracted party secretary have authority over his enterprise?" some asked.

Certainly, Yang said that the reform in his company has full approval from the leadership of the party committee.

Because the reforms are new, they are certain to arouse some people's misgivings, he said.

Some elderly workers companied that they would have to do odd jobs and would get much lower salaries than before.

And even some veteran party members were afraid they would lose their medical plans and other benefits after they become contracted employees.

"So the party committee has the commitment to do more painstaking ideological work for smoothing reform," said Yang.

The party should help workers adapt to the new labour system. Some workers accustomed to the "iron rice bowl" are unclear on what kind of benefits they can enjoy from reforms, he added.

"The solution to all this calls for our strenuous efforts," said the 60-year-old party secretary who has worked for the party for more than 20 years.

According to Yang, party secretaries in enterprises are saddled with the same targets as directors for output value, profits and sales volume. So they should also be responsible for the enterprise's losses.

If the enterprise fails to accomplish these targets, both the party secretary and the director would be removed from their offices. According to Yang, last year the company disciplined chief leaders in its 15 factories because of their failure in managing their enterprises.

To ensure the smooth relations between the two heads of an enterprise, the company has taken steps to change their posts to let them get familiar with political or administrative work.

"The key to the reform lies in an increase of each employee's income and let them benefit from the

reform," said Yang, adding that an income gap would most certainly exist among employees.

Central-South Region

Guangdong Floods Kill 61 Since Mid-March

HK0404042292 Beijing CHINA DAILY in English
4 Apr 92 p 3

[By staff reporter: "Guangdong Flood Kills 61 to Date"]

[Text] Guangzhou—At least 61 people were killed in Guangdong Province during floods caused by heavy rain since mid-March.

The rainfall was as heavy as 369 millimetres a day in some areas. The floods injured at least another 100, an official of the Guangdong Flood-Control Headquarters told CHINA DAILY.

The disaster hit the northern and eastern part of Guangdong, with the cities of Meizhou, Heyuan, Shanwei, Shaoguan and Qingyuan being the hardest hit. It had claimed 28 lives in Meizhou alone by yesterday. Twenty-four people died in Heyuan.

The official said rescued people have been properly sheltered and clothed. Food, medicines and other relief materials have been sent to the disaster areas. The provincial government sent six teams to these places on Thursday.

About 1.1 million people were affected by the floods, 66,700 hectares of farm land were damaged and 2,729 houses destroyed. Direct economic loss was estimated at 150 million yuan (\$27.5 million).

Hainan Expected To Lift Grain Price Controls

OW0304172792 Beijing XINHUA in English
1551 GMT 3 Apr 92

[Text] Haikou, April 3 (XINHUA)—Southern China's Hainan Province is expected to lift price controls on grain in the near future, following the lead of Guangdong and Fujian Provinces.

Liu Jianfeng, Hainan governor, said today that the province will lift grain price controls after receiving approval from the State Council.

He noted that Guangdong and Fujian Province lifted grain price controls on April 1.

According to Liu, grain will be sold at negotiated prices, and all trading will be controlled by the market.

The governor said that in May 1991, Hainan took the lead in purchasing and selling grain at the same price. He added that the reform effort was quite successful.

Prior to that urban residents received grain subsidies, and grain was sold at a price much lower than the state purchase price

Liu pointed out that the reform effort had not only enhanced the farmers enthusiasm for planting grain, but had also resulted in huge savings in state subsidies. In addition, the price reform resulted in additional reforms being carried out in the province's food processing industry.

He noted that, only one year after the reform began, state grain sales dropped by some 45 percent, a fact which reminded the government to pay greater attention to the quality of grain products.

Liu added that increasing number of Hainan citizens prefer to purchase high quality grain at free market prices rather than grain offered at state prices.

"Based on that success, we will undertake another bold step and lift grain price controls at the earliest possible date," said Liu.

Southwest Region

Tibet Holds Meeting on Foreign Affairs 1 Apr

OW0604064692 Lhasa Tibet People's Radio Network
in Mandarin 1430 GMT 1 Apr 92

[Text] The autonomous regional meeting on foreign affairs was held at the Hall of the People in Lhasa on 1 April and was attended by more than 200 people—including autonomous regional party, government leaders Chen Kuiyuan, Gyaincain Norbu, Basang, Mao Rubai, Zi Cheng, Chen Hanchang, and (Lue Que), as well as representatives of autonomous regional departments, bureaus, and committees. (Chen Pingchu,) director of the State Council's Foreign Affairs Bureau, and Zhang Hongxi, deputy director of the Foreign Affairs Ministry's Consular Affairs Department, made a special trip to Tibet to attend the meeting, which was presided over by Basang, deputy secretary of the autonomous regional party committee.

On behalf of the autonomous regional party committee and the people's government, Mao Rubai, deputy secretary of the autonomous regional party committee, made an important speech on strengthening leadership and management on works related to foreign affairs and efforts to create a new situation in the region's foreign affairs. He started with a brief review of the region's firm implementation of the party's basic line and the state's foreign policies since the Third Plenary Session of the 11th CPC Central Committee, during which enthusiasm and initiative were continuously aroused, the opening policy was further promoted, exchanges and cooperation with foreign countries were stepped up, and friendly relations with neighboring nations were further improved and strengthened. There is still room for further development in the field of foreign affairs in terms of width and depth. He said: Beginning this year, the autonomous region has broadened its contacts and

exchanges with the outside world through both government and nongovernment channels, resulting in effective acceleration of the region's economic and social development.

Touching on basic missions of the autonomous region's foreign affairs in the future, Deputy Secretary Mao Rubai said: The 1990's will be a crucial decade for the region in implementing the Eight Five-Year Plan and the 10-Year Program. As far as the work of foreign affairs is concerned, we should grasp the favorable opportunities, face new challenges, meet fresh requirements, unswervingly implement the party's basic line, and conscientiously enforce the state's principles and policies on foreign affairs. We should strive to create a new situation in works related to foreign affairs by taking the abiding of the state's general foreign policy as prerequisite; the struggle of the (two powers) as the focal point; and the deepening of reform, widening of opening up, and serving the economy as center. All these efforts are designed to create a fine exterior environment for the autonomous region's socialist modernization drive.

Mao Rubai emphasized: To improve the region's foreign affairs and meet requirements under new situation, it is necessary to strengthen leadership and management, establish an overall concept on foreign affairs, do a good job in unified management of foreign affairs along the border, stiffen disciplines on foreign affairs, enhance overall quality of personnel handling foreign affairs, and build a stronger foreign affairs contingent.

(Chen Pingchu,) director of the State Council's Foreign Affairs Bureau, and Zhang Hongxi, deputy director of the Foreign Affairs Ministry's Consular Affairs Department, also spoke at the meeting.

Yunnan Official on 'Stern' Anti-Drug Measures

HK0404072892 Hong Kong WEN WEI PO in Chinese
28 Mar 92 p 2

[By reporting group: "Yunnan Adopts Stern Measures To Crack Down on Drug Traffickers"]

[Text] Beijing 27 Mar (WEN WEI PO)—Yunnan has already adopted stern measures to crack down on drug trafficking, with 401 culprits executed by shooting, and 4,183 criminals involved in drug-trafficking apprehended last year, including 37 from Hong Kong, Macau, and Taiwan, and 643 foreign nationals. This was stated by Yang Ming, National People's Congress [NPC] deputy and Yunnan Provincial People's Congress Standing Committee vice chairman in an interview by this paper's reporter.

Currently, many new characteristics of lawbreakers' drug trafficking activities have surfaced. First, such activities are increasingly armed, professionalized, and conducted in groups; second, such activities are conducted in close collusion with international drug trafficking forces, including drug traffickers from Hong Kong, Macao, and Taiwan, and are increasingly rampant; and third, their

ways are becoming increasingly well planned and cunning. Aiming at these new conditions, Yunnan has adopted the following measures to sternly crack down on drug trafficking.

First, laws and decrees were formulated to severely punish drug traffickers. Prior to the "Decision on Prohibiting Narcotic Drugs" adopted by the 17th Session of the Seventh NPC Standing Committee last year, Yunnan had already formulated "Rules and Regulations of Yunnan Province on Strictly Prohibiting Narcotic Drugs." Based on these two laws and decrees, any one trafficking narcotic drugs exceeding 50 grams shall be given a death sentence, or a death sentence with reprieve, or a life sentence according to his case. In 1991 alone, 401 culprits were given death sentences, 8.5 times the number of cases given death sentences in 1990; in addition, 142 culprits were given death sentences with reprieve. At the same time, Yunnan has been endowed with increasingly greater power to adjudicate drug-trafficking cases. Before the formulation of relevant laws and decrees, drug trafficking cases were dealt with in the category of economic crimes, and a death sentence should be ruled by the Supreme People's Court. With the presentation of the "Decision on Prohibiting Narcotic Drugs," all cases given death sentences involving Chinese drug traffickers, including those from Hong Kong and Macau, shall be ruled by Yunnan Provincial Advanced People's Court, with the exception of drug traffickers who are foreign nationals, whose death sentences shall be ruled by the Supreme People's Court.

Second, cooperation with international antidrug organizations has been strengthened. Drugs that found their way into Yunnan mostly originated in Burma. Last May, Burmese Deputy Foreign Minister Ohn Gyaw made a special trip to Yunnan's Kunming to discuss the drug issue with the Chinese side. Besides, the delegation headed by Jean-Charles Ly, UN Commission on Narcotic Drugs acting director; and the delegation headed by Melvyn Levitsky, U.S. assistant secretary for international narcotics matters, have discussed with Chinese officials on prohibiting narcotic drugs in Yunnan, Burma, and Thailand to discuss plans for prohibiting narcotic drugs to strengthen their cooperation in cracking down on drug trafficking activities. At the same time, police stations in various places have also sent their men across the border to hold talks with Burmese armed drug trafficking rings, and warned them that they shall not traffic drugs into Chinese territory; otherwise, they shall be executed by shooting. In response, some drug trafficking ringleaders have already ordered some of their drug processing factories to suspend projects, while insuring that they would not traffic drugs via China.

And third, the role of functional departments have been given full play; justice courts, public security organs, and procuratorates at all levels have closely cooperated with each other, set up a closely-knit network of checking posts, and augmented secret investigations. Thus, the level of cracking criminal cases improved, and a better job was done of investigation and study of information.

Northeast Region

Harbin Prison Successfully Reforms Criminals

SK0304071092 Harbin Heilongjiang People's Radio
Network in Mandarin 2200 GMT 2 Apr 92

[Text] Harbin Prison has conscientiously implemented reform-through-labor policies, fundamentally educated and corrected criminals, and successfully transformed many criminals into reformed persons.

The Harbin Prison transformed the criminal offenders strictly in line with the standards for (?improving environment) and the standards for the behavior of the transformed criminal offenders as defined by the Ministry of Justice. It also adopted various ways for organizing criminal offenders to study knowledge and culture. So far, 22 criminal offenders have received correspondence school graduation certificates; 486 criminal offenders, certificates of labor skills of various grades; and 25 criminal offenders, graduation certificates of specialized correspondence schools. Through legal, scientific, and civilized management, the criminal offenders have a stable ideological state and are steadily engaged in transformation. No major escape and murder cases have taken place in the prison since 1989.

At the rally to award some criminals with good behavior that was held a few days ago, the government reduced penalties for 256 criminals.

Through transformation, the prison has created conditions for improving production. Over the past years, the prison has made some production and scientific research discoveries. Recently, the prison won the state silver prize for manufacturing a vertical rectifier for use as an auxiliary part of large-sized power generating unit.

Jilin Government Holds Plenary Session

SK0604011292 Changchun Jilin People's Radio
Network in Mandarin 2200 GMT 1 Apr 92

[Text] On the afternoon of 31 March, the provincial government held the third plenary session to implement the guidelines of the ninth meeting of the fifth provincial party committee and to arrange the current tasks.

Liu Xilin, vice governor of the provincial government, chaired the session. Governor Gao Yan made an important speech on implementing the guidelines of the ninth meeting of the fifth provincial party committee and realistically grasping the current work in various spheres. Vice Governor Wu Yixia made a speech on the current spring sowing work and rural economic work.

Gao Yan pointed out in his speech: The ninth meeting of the fifth provincial party committee that concluded a few days ago discussed issues of how to grasp the historically favorable opportunity, to guide and mobilize the vast number of party members and the people across the province to implement Comrade Xiaoping's important speeches and the guidelines of the plenary session of

the political bureau of the CPC Central Committee, and to proceed from reality to further emancipate the mind and speed up the pace of reform and opening-up work and economic construction. We should deeply study and implement the guidelines of the central authorities and the guidelines of the ninth meeting of the fifth provincial party committee, unify our thinking and action, and grasp favorable opportunities to promote the work.

Comrade Gao Yan pointed out: Positively promoting reform is the fundamental way for accelerating economic development. In the course of conducting reform and opening to the outside world, we should bravely create new ways and make bigger strides. In line with actual conditions, the government departments at various levels should do their work in a solid manner and make rapid headway in five aspects such as changing the enterprise mechanism; forcing some enterprises to close down, manufacture other products, merge with others, or go bankrupt; carrying out, on a trial basis, the shareholding system; enlivening capital; and changing government functions.

He said: Whether our economy can be well developed depends, to a great extent, on the achievements in making a bigger and firmer step for opening to the outside world. Thus, we should ceaselessly expand the scale of opening the province to the outside world, speed up the pace of building the Hunchun open area, fully use border and coastal areas' superior conditions, and take Hunchun as the major window in forming a border open belt involving Yanbian, Tonghua, and Hunjiang. The Changchun Nanhu high and new-technology industrial development area should enjoy the policies of special zones, bravely use the experiences gained by special zones, and build as soon as possible itself into the special scientific and technological zone. We should expand new open cities; positively expand overseas markets; further improve policies and systems; improve the methods for examining, approving, and managing projects; simplify procedures; improve work efficiency; strengthen propaganda; and strive to create an environment that is conducive to opening to the outside world.

Comrade Gao Yan said: The economic work of the province develops toward in good direction. At present, we should realistically grasp the following few tasks.

First, we should firmly foster the long-term concept of combating natural disasters and reaping bumper harvests and achieve the spring sowing work with high quality and high standards. All departments concerned should exert great efforts to support agriculture, make full material and technological preparations for drought-fighting work. We should stress the importance of science and overcome the natural disasters with science.

Second, we should take structural readjustment and improvement of economic results as a key point, try every possible means to achieve industrial production, use high and new-technology to transform traditional

industries, positively develop new products of high technology and high additional value, and promote the upgrading and updating of products. We should firmly grasp the improvement of product quality, and continue to limit the production of unmarketable products, reduce the stockpiling of products, and clear up debt chains.

Third, we should gradually establish the mechanism of linking science and technology with the economy and speed up the pace of linking science and technology with the economy. We should further delegate power to and enliven scientific research units; reform the system of inviting science professionals and technicians, the wage system, and the talented personnel circulation system; allow science professionals, technicians, and managerial personnel to hold two posts; and create a fine environment for giving full scope to the skills of talented persons.

Fourth, we should adopt the methods of invigorating the existing capital and optimizing and collecting funds from various channels to enliven the funds.

Fifth, we should make efforts to enliven the circulation sphere, vigorously cultivate and develop specialized and intensive wholesales markets, strengthen market management, and do a good job in stabilizing the prices of goods.

Comrade Gao Yan concluded: The 1992 tasks for deepening reform are very heavy. The governments should change their functions and improve their work style. Now, there are excessive meetings, documents, and social activities. Leaders spend a lot of time doing this. To solve these problems, we should avoid practicing formalism; overcome bureaucracy; improve work efficiency; simplify administrative procedures; clearly divide the work; let each assume his responsibility; establish the responsibility system on each level; have a clear-cut stand to commend and award the cadres who have emancipated their minds, be brave to do their work, and have made outstanding achievements; and criticize and educate those who glance right and left, have no idea of continuing to forge ahead, and fail to improve their work and even remove them from their posts.

Vice Governor Wu Yixia made a speech on the specific arrangements for the current spring sowing work.

Vice Governor Liu Xilin urged that the government departments should work in line with the arrangements of the ninth meeting of the fifth provincial party committee, immediately go into action, firmly study and implement the guidelines of the ninth meeting of the fifth provincial party committee, and implement various tasks as worked out at the third plenary session of the provincial government. Principal leaders should personally engage themselves in the work so as to make new progress in various spheres.

Quan Shuren Conducts Investigation in Shenyang

*SK0504004092 Shenyang Liaoning People's Radio
Network in Mandarin 1030 GMT 3 Apr 92*

[Text] On 2 April Quan Shuren, secretary of the provincial party committee; Shang Wen, deputy secretary of the provincial party committee; and Wen Shizhen, vice governor of the province, led responsible comrades of pertinent provincial departments to conduct investigation and study in Shenyang. During the investigation and study, they pointed out: By having our feet firmly planted in northeast China and keeping in view the needs of the world, we should build Shenyang into an international city applying high technology and engaging in large-scale production and circulation.

The provincial leaders pointed out: New and high technology must be applied on a large scale and as quickly as possible in such predominant industries as machine tools, [words indistinct], computers, and communications. Thus, we can create a new hi-tech superiority for Shenyang in several years and then bring along the development of machinery and electronics industries of the whole province.

The provincial leading comrades also pointed out: By utilizing Shenyang's advantages of being very capable at applying imported technology, processing products, and coordinating the production of large projects, we should organize and establish large-scale enterprise groups to engage in the industry producing whole sets of equipment needed by large state projects and to develop specialized and socialized production on a large scale.

The provincial leaders went on: To accelerate circulation, we should emphasize the circulation of funds. We should pay attention to developing a stock market, a market of means of production, and a technology market. We should strive to change the situation that market of means of production lags behind the market of means of livelihood.

During the investigation and study, the provincial leaders emphatically stressed that Shenyang should make a big breakthrough in invigorating large and medium-sized enterprises and should strive to smash the iron rice bowl, ironclad wages, iron armchairs, and the common big pot in the course of changing enterprises' operational mechanism.

Talks With Plant Directors

*SK0404040192 Shenyang Liaoning People's Radio
Network in Mandarin 1030 GMT 1 Apr 92*

[Text] On the morning of 28 March, Quan Shuren, secretary of the provincial party committee; Shang Wen, deputy secretary of the provincial party committee; and Zhang Rongmao, vice governor of the provincial government, inspected the Jinzhou ferroalloy plant and also held talks with plant directors and managers of five

enterprises with achievements in developing the export-oriented economy and high and new-technology industries and opening to the outside world.

Comrade Quan Shuren said during the talks: First, I want to hear about your good experiences and ways of doing things to [words indistinct] and to pioneer ways for the provincewide reform and opening up work.

(Jiang Fengang), director of the Jinzhou ferroalloy plant, and a responsible person of the new project development headquarters first introduced their experiences.

They said: Over the past years, the Jinzhou ferroalloy plant has established stable raw material and marketing bases in foreign countries. Last year the plant made more than 200 million yuan in output value through exports, accounting for 30 percent of the total output value.

Comrade Quan Shuren pleasantly said: Large enterprises must send their products to international markets. Our aim in conducting reform and transforming the managerial mechanism is to push enterprises into markets. So far, our province has many enterprises engaged in close-typed management. More than 1,000 large and medium-sized enterprises across the province have the capacity to enter the international markets. We advocate being more brave and making faster strides. Never must we advocate small-scale production again. We should pioneer new ways and boldly enter the international markets.

(Zhou Wenzhi), general manager of the Jinzhou (Heilong) pharmaceutical corporation, introduced the experience in carrying out the shareholding system.

After being told that several banks in Jinzhou City buy shares and also join the enterprise management, Quan Shuren said: This is a new kind of financial reform. We should speed up the reform of the financial system. If the financial situation is not invigorated, it will be difficult to enliven enterprises as well as markets. We do not have many experiences with the shareholding system, we should do pioneering work in it.

The talks were held in a warm atmosphere. Plant directors and managers vied with each other to make speeches. Some reported experiences in transforming old enterprises by bringing in technology, equipment, and capital. Some reported experiences in developing high and new-technology industries to transform old urban areas.

Quan Shuren concluded: Your new methods and ways have brought me hope. Your experiences prove that there are prospects for enlivening enterprises and invigorating the economy. The key to enlivening enterprises and invigorating the economy hinges on proceeding from reality and ceaselessly broadening the way of thinking. To do this, enterprises should first thoroughly change their type of management. They should assimilate, import, and draw on the good experiences that are conducive to developing productive forces and bring in all advanced things at home and abroad. Some enterprises suffer losses principally due to their low-quality products. We will be able to find ways for solving problems if enterprises work in cooperation with institutions of higher learning and scientific research units and apply high and new technology to conduct transformation, or if we run enterprises involving foreign capital, develop joint ventures and cooperatives, and bring in technology, equipment, and capital. We should creatively carry out the shareholding system. By so doing will we be able to help enterprises alleviate the strain on capital. We should deeply study the series of important expositions of Comrade Deng Xiaoping on building socialism with Chinese characteristics; be brave in pioneering work, conduct experimental work, and take risks; do more pioneering work; and avoid demanding uniformity in doing everything. To broaden the way of thinking, we should stand high and see far, base ourselves on the 1990's, have a broad view on the middle of the next century, and build Liaoning into an economic, technological, commercial, trade, and financial center in Northeast Asia. Simultaneously, we should also expand our thinking about relaxing the restrictions of policies. We should make good use of the existing state policies and boldly apply the policies that have successfully been carried out by other places.

United States Becomes Leading Foreign Investor*OW0604094692 Taipei CNA in English 0745 GMT
6 Apr 92*

[Text] Taipei, April 6 (CNA)—The United States emerged as the biggest foreign investor in the Republic of China last year, with total capital reaching \$580 million, the Investment Commission (IC) of the Ministry of Economic Affairs said.

According to statistics compiled by the commission, U.S. investments last year increased 8 percent over 1990 for the third straight yearly advance, thereby replacing Japan as the top foreign investor.

Electronics and electrical appliances absorbed a paid-in capital of \$340 million to form the bulk of the U.S. investments, while the tiny \$40 million in metal and metal products was 60 times larger than 1990, the statistics showed.

Japan invested a total of \$520 million in Taiwan last year, a decline of 36.4 percent over 1990, with manufacturing taking 36 percent, the IC reported. It is Japan's first drop in three years, it pointed out.

The commission said stricter screening of Japanese investments in order to narrow Taiwan's trade imbalance with that country, coupled with Japan's tight monetary policy and the devaluation of the yen, were the primary factors weakening investments from Japan.

Danish Trade, Diplomatic Mission Visits Taipei*OW0604094792 Taipei CNA in English 0759 GMT
6 Apr 92*

[Text] Taipei, April 6 (CNA)—A high-level Danish delegation, composed of diplomatic and trade officials, arrived in Taipei Sunday for a six-day visit.

The 23-member mission is headed by Henrik Ree Iverser, deputy foreign minister for trade, and Lars Bernh Joergensen (R) [as received], deputy industrial minister.

It is the largest and the highest-level Danish delegation ever to visit Taiwan.

Iverser said upon his arrival at Chiang Kai-shek International Airport that he was delighted to visit the beautiful island and hoped to meet with some old friends here.

The Board of Foreign Trade (BOFT) has arranged a well-organized itinerary for the Danish delegation.

During their stay here, the Danish visitors will call at the Ministries of Economic Affairs and Foreign Affairs and the Council of Agriculture.

The Danish delegates are expected to discuss with Chinese officials ways and means to promote trade and economic cooperation between the two countries.

BOFT officials said a major purpose of the Danish mission is to help Danish contractors win construction contracts in Taiwan's much-publicized six-year National Development Plan.

During his North European tour last year, BOFT Director Sheu Ke-sheng urged Scandinavian countries to send ranking officials to visit Taiwan. Sweden sent a delegation of trade officials and business executives to Taiwan last July. Denmark is the second Scandinavian country to respond to Sheu's call.

Hao Meets Former Japanese Prime Minister Fukuda*OW0504164692 Taipei Voice of Free China
in English 0200 GMT 4 Apr 92*

[From the "News and Commentary" program]

[Text] Premier Hao Po-tsun said on Thursday that the Republic of China [ROC] on Taiwan would like to learn Japan's experience in developing the economy and to cooperate with Japan in contributing to Asia and the world. Meeting former Japanese Prime Minister Takeo Fukuda, Hao said he was confident that the 21st century will be an Asian century in which the Chinese and Japanese will play important roles. Hao praised Fukuda for being one of the world's senior politicians who had been working behind the scene to promote [words indistinct]. Fukuda said the world now faces two major problems—population growth and environmental protection. Hao said the ROC is [words indistinct] its environment, and the government had listed it as a priority task. Hao noted that the tradition of Chinese view of [word indistinct] heaven and man, which stresses the relationship between nature and human being, can be [word indistinct] to modern environmentalists.

Airline Preparing Pact on Flights to Philippines*OW0404083792 Taipei CNA in English 0802 GMT
4 Apr 92*

[Text] Taipei, April 4 (CNA)—Eva Air, the second international air carrier of the Republic of China, will sign a temporary commercial agreement with Air Philippines Corp. (APC).

An Eva Air spokesman said the Ministry of Transportation and Communications has approved of his company's plan to ink the temporary agreement under which Eva will fly three round trips a week between Taipei and Manila or Taipei and Cebu. In return, APC will be allowed to use cargo planes under a total weight of 25,000 kilograms to make five flights a week between Manila and Taipei.

Preparations for the maiden flight to the Philippines, scheduled for May 1, are under way, the Eva spokesman said.

Paraguay Foreign Minister, Belize Officials Visit

*OW0604092692 Taipei CNA in English 0736 GMT
6 Apr 92*

[Text] Taipei, April 6 (CNA)—Paraguayan Foreign Minister Alexis Manuel Frutos flew into Taipei Sunday for a five-day visit to the Republic of China.

While here, Frutos, on behalf of his country, will sign an investment guarantee agreement with the Republic of China in order to court Taiwan ventures.

The Paraguayan minister will call on Premier Hao Po-tsun, Foreign Minister Chien Fu, and Economic Affairs Minister Hsiao Wan-chang.

Also on Sunday, Theodore Aranda, minister of health and urban development of Belize, led a three-men group to Taiwan.

During their seven-day stay in Taiwan, the Belize officials will visit the Veterans General Hospital and other medicare institutions. They will depart April 11.

Mainland Council Head Hopes for Talks' New Round

*OW0404083592 Taipei CNA in English 0754 GMT
4 Apr 92*

[Text] Taipei, April 4 (CNA)—Mainland Affairs Council Chairman Huang Kun-hui said Friday that the government hopes to hold the next round of talks between the Straits Exchange Foundation (SEF) and Peking's Association for Relations Across the Taiwan Straits (ARATS) as soon as possible.

But in view of Communist China's "control of the flow of information," the government is considering moving the talks to a third area like Hong Kong, Japan, Singapore and Guam, the MAC chief told the CNA.

SEF and ARATS held three days of discussion in Peking late last month on document verification and other technical problems without reaching a final accord because of a dispute over the "one China" issue.

ARATS Vice President Tang Shubei insisted that under the "one China" principle, talks between Taiwan and the mainland over document verification and registered mail should be seen as discussion about "domestic affairs."

Huang said Taipei could not accept such an interpretation of the "one China" principle, claiming that it should be understood in a broader sense.

Taipei is wary of Peking's definition of "domestic affairs" because the communist regime has sought to gain sovereignty over both Taiwan and the mainland before talking about unifying the territory and systems of the two sides.

Asked what the government wants to achieve during the next round of SEF-ARATS talks, Huang said that in

order to strike a deal on document verification, the government is finding a way to verify that a certain document is "authentic."

For example, he noted, ARATS could gather the official seals and stamps of mainland authorities and civilian organizations to help confirm the authenticity of a document.

The verification work should be done by SEF and ARATS alone, so it will not complicate the procedure, Huang added.

Huang said that since document verification is more urgent than the prevention of crime across the Taiwan Straits, talks over the latter should come only after an accord has been reached on the former.

Taiwan-Born NPC Members Walk Out in Protest

*OW0404083892 Taipei CNA in English 0808 GMT
4 Apr 92*

[Text] Peking, April 3 (CNA)—Two Taiwan-born members of Peking's National People's Congress (NPC) walked out of the NPC's closing session Friday in protest.

Huang Shun-hsing (Huang Shunxing), a member of the NPC Standing Committee, tried to speak when NPC Chairman Wan Li was putting an important motion to vote.

However, Huang could not have his voice heard because all microphones on the floor were shut off.

A former county magistrate in Taiwan and an agricultural expert who defected to the mainland in 1985, Huang walked out of the voting session in protest, shouting that it is illegal to ban him from speaking.

Also walking out in protest was Liu Tsai-pin, another Taiwan-born NPC member.

When reporters gathered around him outside the conference hall, Huang read a statement which he planned to read inside, urging the congress to delay a decision on the Three Gorges dam project.

Huang asserted that he was entitled to speak at the congress. Besides, he said he had registered to speak four days earlier.

In spite of Huang's failure to delay a vote on the project, the vote result showed that the NPC was no longer a mere rubber-stamp for the Peking regime.

Admited chaos, 1,767 NPC deputies voted yes, while 177 opposed and 664 abstained. Twenty five did not vote.

The negative votes and abstentions were the highest of the 11 motions voted on Friday. No similar thing had happened in the NPC before, observers said.

Asked if he would continue to be an NPC member, Huang said "why should I?"

A mainland reporter asked if he had considered "the consequences" of his behavior, Huang replied that it would only worsen his heart trouble.

He immediately added, "I was doing this for the country. I was acting according to the law."

Editorial Discusses Control Yuan Reform

*OW0404160692 Taipei CNA in English 1400 GMT
4 Apr 92*

[CNA 3 April "EXPRESS NEWS" Editorial: "Control Yuan Reform"]

[Text] Taipei, April 4 (CNA)—A draft amendment has formally been introduced in the National Assembly to change the method of selecting members of the Control Yuan. According to the amendment, members of the Control Yuan will no longer be elected by provincial assemblies and municipal councils, but nominated by the president with the approval of the National Assembly.

The intention of this amendment, its sponsors have pointed out, is to turn the Control Yuan from its current status as a representative body into a quasi-judicial branch of government.

We have previously voiced opposition to the proposal, arguing that it would be more democratic to elect Control Yuan members by popular votes. Now that the sponsors have explained the intention of their proposal, we can see its merits. Since the primary function of the Control Yuan is to supervise other branches of government, it should be nonpolitical and nonpartisan; but it is

almost impossible to maintain nonpartisan when its members are elected, whether by popular votes or by local representatives.

If the amendment is adopted, members of the Control Yuan would be selected through the similar process as grand justices of the Judicial Yuan. Persons of integrity and legal training—the kind of persons we need to perform the functions of the Control Yuan but who may not be good at winning elections—may be recruited, to the benefit of the society. On the other hand, its adoption would also make the Legislative Yuan the only regularly functioning representative body at the central level, and thus simplify our government system.

The proposed amendment, however, has been met with strong opposition in the Taiwan Provincial Assembly. Some of the assemblymen, as a gesture of protest, even threaten to recall all the incumbent members of the Control Yuan who were elected by the assembly six years ago. This action is ill-advised and counterproductive. Whatever legitimate arguments they may have against the amendment, their opposition would only remind people of the allegations that some assemblymen sold their votes to the highest bidder in previous elections of Control Yuan members, and could lead to the suspicion that they are trying to protect only their personal interests. It's even worse that they should resort to such destructive tactic as threatening to recall the incumbent Control Yuan members.

Judging from the action of these assemblymen, as well as what has been going on at the National Assembly meetings in the past few weeks, it is time to remind all these representatives that they were elected to serve the people, not to engage in senseless bickering, and least of all to advance their own individual interests.

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